



Daily Report

China

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An * indicates material not disseminated in electronic form.

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General

XINHUA Reports of New Diplomatic 'Drive'

OW3010040694 Beijing XINHUA in English 0342
GMT 30 Oct 94

[Unattributed "News Analysis": "China's New Diplomatic Drive"]

[FBIS Transcribed Text] Beijing, October 30 (XINHUA)—With the second APEC [Asia-Pacific Economic Cooperation] leaders' informal meeting just around the corner, the world will see a string of top Chinese leaders paying visits to Asian and Pacific nations in a new diplomatic drive.

The first shot of the new salvo will be fired by Premier Li Peng tomorrow when he starts his five-day visit to the Republic of Korea, to be followed by Qiao Shi, chairman of the Standing Committee of the National People's Congress, China's legislature, on a five-nation trip of New Zealand, Australia, Argentina, Brazil and Fiji.

President Jiang Zemin will bring up the rear with a tour of Singapore, Malaysia, Indonesia and Vietnam from November 8 to 22, and he will also avail himself of the Bogor, Indonesia, meeting on November 15 to have an unrestrained exchange of views with leaders of other members of the Asia-Pacific Economic Cooperation (APEC).

Observers here view these trips as China's fresh thrust on the diplomatic field because they say it is rare for three top leaders of the People's Republic of China to go abroad in quick succession. And their itineraries are mostly in the Asia-Pacific region.

Bilateral and regional issues should figure prominently in the talks the Chinese leaders will have with their hosts on the visits.

China has time and again stated that it requires a peaceful international environment for its modernization effort, wishing and working for friendly relations of mutually beneficial cooperation with other countries.

President Jiang last Saturday told visiting Vice-President K.R. Narayanan of India that China is set to develop its relations with other nations and its neighbors in particular under the five principles of peaceful coexistence.

The Chinese leaders are expected to explain China's positions on the world situation and also the establishment of a new political and economic order. They will reassure their hosts that China have no intention of seeking hegemony and instead will cooperate with other nations in ironing out thorny issues and disputes by peaceful means in the spirit of mutual understanding and accommodation.

Most probably, they will try to alleviate fears of so-called "China threat" on the part of their counterparts in certain countries.

A few days ago Premier Li Peng said to U.S. Defense Secretary William Perry that China's defense is defensive and that it will not pose any threat to other countries.

Trade and economic cooperation should come up high on their agenda as China is set to maintain its economic growth momentum. With a yearly foreign trade volume approaching 200 billion U.S. dollars, China is attracting many business giants and multinational corporations. And China's ambitious development program needs a huge amount of funds and sophisticated technology from abroad.

Last week Foreign Trade Minister Wu Yi explained in Malaysia China's principles on the liberalization of trade, emphasizing the need of taking into full account the interests of developing countries in a bid to set up a more rational and equitable economic order.

All in all, this new bout of visits by Chinese leaders will certainly culminate in the signing of a number of bilateral accords as was the case in President Jiang's September tour of Russia, Ukraine and France and Premier Li's central Asia and Mongolia trip in April.

Vice Foreign Minister on Jiang Agenda

HK3110112594 Hong Kong MING PAO in Chinese 29 Oct 94 p B1

[Report: "Vice Foreign Minister Tang Jiaxuan on Jiang Zemin's Forthcoming Visit to Southeast Asia, Meeting With Clinton, and Mainland-Taiwan Relations"]

[FBIS Translated Text] Tang Jiaxuan [0781 1367 3872], deputy Chinese foreign minister, said yesterday that China still sticks to the principle of "peaceful reunification and one country, two systems" for cross-strait ties. Hence, meetings between cross-strait leaders should be held at "home." It would be quite unnatural for them to be held internationally.

At the press conference held for Chinese President Jiang Zemin's forthcoming visit to the four Southeast Asian countries, Tang Jiaxuan said that Jiang Zemin will meet U.S. President Clinton again while attending the second unofficial meeting of leaders of the Asia-Pacific Economic Conference [APEC] from 14-15 November. He proposed that the two sides focus attention on the whole world and the future rather than their actual differences.

Jiang Zemin will visit four countries including Singapore, Malaysia, Indonesia, and Vietnam from 8 to 22 November. It will be his first visit to Southeast Asian countries.

At the press conference, when was asked about the revision by China's diplomatic system to Jiang Zemin's remarks made not long ago on meeting Taiwan figures, an issue raised by the outside world, Tang Jiaxuan stressed that there is absolutely no question of obstacles

placed by the diplomatic system. Moreover, this would be unimaginable on the mainland.

Tang Jiaxuan pointed out that the meeting between cross-strait leaders is "China's internal affair, which should naturally be held at home. It would be quite unnatural if the matter is raised in the international arena." According to a report by Taiwan media, while meeting a few days ago with Chang Ping-chao [1728 1627 3113], member of the Taiwan Legislative Yuan, Jiang Zemin pointed out that he would not rule out the possibility of meeting Lee Teng-hui at an appropriate and natural occasion.

The "Seattle model" was a new understanding reached at the unofficial meeting of APEC leaders in Seattle last year. Tang Jiaxuan pointed out. For this reason, Indonesia, the current host, will also follow the Seattle model.

Regarding the question as to why China has expressed its determination to maintain regional stability and peace on the one hand while continuously holding military exercises in the East China Sea on the other, Tang Jiaxuan defended China's move, saying that there is nothing surprising about the exercises, which are routine and normal.

China has always maintained that international disputes should be appropriately settled through peaceful talks while reunification of both sides of the strait should be resolved in light of the principle of "peaceful reunification and one country, two systems," Tang explained.

Regarding the remarks by Democratic Progressive Party [DPP] Chairman Shih Ming-te on troop withdrawal from Jinmen and Mazu, Tang Jiaxuan said that the DPP is a political party which advocates Taiwan independence. Hence, Shih has "something behind what he said."

At the press conference, Tang also mentioned the second unofficial meeting between Jiang Zemin and Clinton. He said that the talks between Jiang and Clinton at the unofficial meeting of APEC leaders in Seattle last November were very successful, having stabilized bilateral relations and offered new opportunities for bilateral ties. At the current summit, Tang pointed out, China proposes that both sides' attention should be focused on the whole world and the future rather than on their practical differences.

Wu Yi Hits 'Protectionism' Under Anti-Dumping Guise

HK3110081194 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 28 Oct 94 p 1

[By Qin Jingwu (4440 0079 0582): "Wu Yi Predicts Prospects for Foreign Trade and Economic Cooperation in 2000, Says Annual Total of Imports and Exports Will Reach \$400 Billion, Accumulated Imports To Exceed \$1,000 Billion"]

[FBIS Translated Text] China's foreign trade and economic cooperation has developed rapidly. It is predicted that by the year 2000, the annual total of imports and exports will reach \$400 billion, and the accumulated amount of imports will exceed \$1,000 billion. This was disclosed by Wu Yi, minister of the Ministry of Foreign Trade And Economic Cooperation, at a speech delivered at the 1994 Pacific Rim Forum.

Wu Yi said: Since reform and opening up began in 1978, China's annual amount of imports and exports has grown at a rate of 16 percent, which is higher than the growth in world trade in the corresponding period. Between January and September this year, China's total import and export trade volume increased by 22.1 percent compared with the same period last year; in the last eight months, actual foreign investment exceeded \$200 billion, an increase of 55 percent over the same period last year, and foreign exchange reserves reached \$31.8 billion.

Wu Yi added: China is situated in the Pacific region, and its economic and trade development has benefited from the stability and prosperity of this region over the past dozen years. China has cemented good economic and trade relations with countries and regions in the Pacific Rim. Last year, China's trade volume with these countries and regions accounted for more than 70 percent of its total trade volume, and 80 percent of imported foreign capital also came from them. China will positively participate in multilateral economic cooperation. Talking about anti-dumping measures adopted by some countries against Chinese products, Wu Yi said: The Chinese Government is always opposed to enterprises dumping goods. As a developing country, China is not in a position to dump products abroad. The Chinese Government calls for enterprises to participate in fair competition in accordance with business norms. However, certain countries often adopt unfair methods, which are by no means objective, in determining dumping practices, so that all enterprises in the same trade are affected. This is unacceptable to China. As for those who engage in trade protectionism under the pretext of anti-dumping, China is resolutely against them. China is willing to participate in economic cooperation with various countries in any form. Likewise, the huge Chinese market also welcomes exploration by foreign enterprises from various countries as they have a similar opportunity to access China. In promoting foreign economic and trade relations, China will adhere to the principle of combining bilateral trade with multilateral trade, abide by international norms, open its markets, and oppose protectionism. In the meantime, China also hopes that all of its trade partners will open their markets and remove barriers of every description.

Commentary Urges U.S. To Reconsider Cuba Policy

OW2810134794 Beijing XINHUA Domestic Service in Chinese 1101 GMT 28 Oct 94

[Commentary by XINHUA reporter Pan Guojun (3382 0948 0193): "The United States Should Reconsider Its Cuba Policy"]

[FBIS Translated Text] Beijing, 28 Oct (XINHUA)—With 101 countries voting in favor, two (the United States and Israel) casting dissenting votes, and 48 abstentions, the 49th United Nations General Assembly [UNGA] passed a resolution on 26 October renewing its call on the United States to lift the economic, trade, and financial embargo it has imposed on Cuba for more than 30 years. The results of the vote indicate that the United States has become isolated in its policy of imposing a chronic embargo on Cuba.

Over the past 100 years or so, the United States has followed the "Monroe Doctrine," under which it has viewed Latin America and the Caribbean region as its sphere of influence, pursued power politics in the region, and attempted to impose its will on Latin American nations. In 1961, Cuba thwarted a U.S.-engineered armed invasion by mercenary troops. In the following year, the U.S. Government began its diplomatic isolation of and military threats against Cuba, and imposed an economic and trade embargo on that country. It has continued the policy to this day.

The chronic U.S. embargo has inflicted heavy losses on Cuba. According to data released by the Cuban Government recently, the U.S. economic and trade embargo, which has been in place for more than 30 years, has caused Cuba as much as \$40 billion in economic losses, thus seriously affecting Cuba's economic construction, scientific and technological development, and the Cuban people's livelihoods. The United States has also exploited the immigration issue in its anti-Cuba activities, chronically pursuing a policy that encourages Cubans to flee their country illegally in an effort to undermine Cuba's social stability and tarnish its international image. Cuban Foreign Minister Robaina pointed out on 27 October: Although the U.S. Government claims that it respects human rights, its 32-year-old embargo against Cuba has, in effect, trampled on human rights. The Cuban Government has repeatedly signaled its willingness to hold dialogue with the U.S. Government on a wide range of issues, including the lifting of the economic and trade embargo. The U.S. Government, however, insists that U.S.-Cuba relations can only be improved if Cuba changes its social system.

The U.S. policy toward Cuba has not only encountered strong resistance from the Cuban Government and people, but has also been met with widespread criticism in the foreign media. For many years, the international community, particularly Latin American nations, have continued to ask the United States to revoke its policy of blockading and isolating Cuba, and to let Cuba return to the fold of the international community. For three consecutive years since 1992, the UNGA has passed resolutions urging the United States to lift its embargo on Cuba. In UNGA voting, the number of countries that are sympathetic toward Cuba and opposed to the U.S. embargo has increased. This shows that things that run counter to popular will will not win support from the international community. In view of this, should the

United States reconsider its policy that permits big countries to bully small nations?

Following the end of the bipolar structure, the solution of conflicts and differences between countries through negotiation and dialogue, instead of through sanctions and confrontation, has become a general trend in today's international relations. The UNGA's latest resolution once again reflects the international community's wish. To normalize its relations with Cuba, the United States should implement the relevant UNGA resolutions, hold dialogues with Cuba on an equal footing, and lift its economic and trade embargo on Cuba. It will become more isolated on the Cuba issue if it fails to do so.

Clinton Visits U.S. Troops in Northern Kuwait

OW2810151394 Beijing XINHUA in English 1422
GMT 28 Oct 94

[FBIS Transcribed Text] Kuwait City, October 28 (XINHUA)—Visiting U.S. President Bill Clinton said today that the U.S. Gulf policy is to curb Iraq to move its troops over the 32 parallel and possess massive destruction arms.

Clinton made the remark during his visit to the U.S. troops deployed in northern Kuwait desert. He was accompanied by Kuwaiti Crown Prince and Prime Minister Saad al-Abdallah al-Sabah.

While speaking to soldiers, Clinton said the U.S. has given Iraq an explicit message to prohibit it from massing troops in southern Iraq to threaten its neighbors, both at present and in the future.

Clinton said he was proud of the U.S. troops who stationed in the Gulf when Kuwait faced the nearest Iraqi troop massing in its border areas. [sentence as received]

The U.S. President said that the people of Kuwait should be proud of their accomplishment and proud of their tough reactions to Iraq's provocation.

He said the "international community will assure that Iraq never threatens your nation again. The proof of their commitment is here in the brave men and women."

"We stand with the people of Kuwait who rebuild their army and economy in the difficult times since 1990."

"We have no quarrel with the people of Iraq. We know the suffering of the people of Iraq." Clinton said, pointing out that the Iraqi Government was responsible for such a suffering.

He said "the pain of the people of Iraq is result of one thing only—the path their leadership had chosen."

He urged Iraq to implement all the UN resolutions concerned.

"So, we say again to the Iraqi leaders: Comply fully with resolutions of the United Nations and abide by the law of the international community."

"This is the only way they have the normal life," he told U.S. troops.

Clinton arrived in Kuwait City this afternoon after shuttle visits to Egypt, Jordan, Syria and Israel and attending the signing ceremony of a Jordanian-Israeli peace treaty.

The last leg of his Middle East tour is Saudi Arabia.

Clinton Hails Arab Easing of Boycott Against Israel

*OW2910144694 Beijing XINHUA in English 1358
GMT 29 Oct 94*

[FBIS Transcribed Text] Abu Dhabi, October 29 (XINHUA)—U.S. President Bill Clinton praised the Gulf Arab countries for helping ease the Arab economic boycott of Israel in a joint U.S.-Saudi statement published today after his meeting with King Fahd of Saudi Arabia late Friday [28 October].

During their talks at Hafar al-Batin, a Saudi northern military city near Iraq and Kuwait, the two leaders reviewed the latest developments of the Middle East peace process.

Clinton, who was awarded by King Fahd a medal at his arrival from Kuwait, hailed the member states of the Gulf Cooperation Council (GCC)—Saudi Arabia, Kuwait, Bahrain, Oman, Qatar and the United Arab Emirates (UAE)—for their efforts to help lift the secondary and tertiary economic boycott of Israel.

The two leaders said they would go ahead to promote direct negotiations between Syria and Israel, as well as Lebanon with Israel, in order to achieve a comprehensive and lasting peace in the Middle East.

The GCC member states last month decided a partial lifting of the 47-year-old boycott against the Jewish state.

The six Gulf Arab countries, whose total proved oil reserves account for over 60 percent of the world crude oil, are a lucrative market for Israelis.

The statement said in order to safeguard the Gulf, particularly the Kuwaiti security, UN Security Resolution 949 must be implemented.

It warned that it is beyond the UN Resolution to lift or ease boycott of Israel now, saying that the Iraqi people's sufferings should be attributed to the Iraqi regime.

In their statement, the two leaders condemned all kinds of terrorist actions.

Saudi Arabia is the last leg of Clinton's Middle East tour which also included Egypt, Jordan, Israel, Syria and Kuwait.

Before Clinton's arrival in the Gulf, the U.S. Defense Department disclosed that from now on there would be a need for propositioned equipment to outfit three brigades of U.S. rapid-deployed forces in the Gulf.

Kuwait will harbor placements for one brigade, Qatar will provide the second and King Fahd was expected to give Clinton his go-ahead for the third to be located at Hafar al Batin, according to diplomats in the Gulf. But no details were disclosed after the U.S.-Saudi summit.

RENMIN RIBAO Views Clinton's Middle East Visit

*HK2810115794 Beijing RENMIN RIBAO in Chinese
26 Oct 94 p 6*

[“News Analysis” by staff reporter Liu Shuiming (0491 3055 2494) and Liu Aicheng (0491 1947 2052) from Cairo and Washington on 25 October 1994: “Why Does Clinton Visit the Middle East?”]

[FBIS Translated Text] Abstract: In addition to attending the signing ceremony of the Jordan-Israeli peace accord, Clinton's first visit to the Middle East will also be aimed at promoting talks between Syria and Israel and advancing the peace process in the Middle East, thus strengthening the United States' position in the Middle East and in the Gulf. People will wait and see whether his goals will be achieved. [end abstract]

On the early morning of 26 October, U.S. President Clinton will arrive in Cairo by plane and will begin his first visit to the Middle East since he became the master of the White House. This will be another major U.S. diplomatic action in the Middle East in recent years.

According to the schedule announced by the White House, Clinton will visit Egypt, Jordan, Israel, Syria, Kuwait, and Saudi Arabia and will meet the supreme leaders of these six countries and PLO leader Arafat. He will attend the signing ceremony of the Jordan-Israeli peace accord, will give speeches to the National Assembly of Jordan and the parliament of Israel to expound the United States' Middle East policy, and will inspect U.S. troops stationed in Kuwait.

In the recent period, the Clinton administration has been rather active in the diplomatic field in order to retrieve part of the credibility it lost in the setbacks in the Somalian crisis and in the Bosnian conflict. As the by-elections are drawing near in the United States, diplomatic successes will improve Clinton's image and will change the unfavorable position of the Democratic Party. At present, Clinton needs to use diplomacy to support his domestic position by maintaining the momentum of the peace process in the Middle East and enhancing U.S. strategic interests in that region as much as possible. This is also one of his motives in attending the peace accord signing ceremony in the Arabian valley.

Clinton's visit to the Middle East may also be aimed at furthering and advancing the peace process in the

Middle East by prompting Syria to break the current stalemate in the talks with Israel and to reiterate the position of the United States on firmly siding with its allies to safeguard security in the Gulf.

The signing of the peace accord between Jordan and Israel will basically settle the disputes between the two countries over the past decades and will lay another foundation stone for the mission of peace in the Middle East. Jordan will become the second Arab country to establish diplomatic relations with Israel. The positive significance of this event is self-evident.

Fifteen years ago, Egypt and Israel signed their peace accord and opened the door leading to peace in the Middle East. This time, Clinton will take Cairo as the starting point of his Middle East journey, and this will affirm Egypt's unique role in the mideast peace process. In Cairo, Clinton will listen to President Mubarak's assessment of the current Middle East situation and will discuss with Mubarak the measures to be adopted for advancing the peace process. Clinton will also hold a tripartite meeting with Mubarak and Chairman 'Arafat. It is expected that 'Arafat will require President Clinton to influence other donation-giving countries to deliver the promised international aid as soon as possible in order to help the Palestinian autonomous government free itself from its dire economic straits.

Damascus will be a conspicuous leg of Clinton's trip. In January this year, Clinton held talks with President al-Asad in Geneva. At that time, al-Asad promised that Syria would establish peaceful relations with Israel. Reciprocally, Clinton promised to improve relations between the United States and Syria. In order to promote the process of peace between Syria and Israel, since May this year, U.S. Secretary of State Christopher has visited the Middle East five times to mediate between Syria and Israel, but no substantial results have been achieved. Christopher hopes that Clinton's visit will help break the impasse. Clinton believes that, through face-to-face talks, he might be able to prompt the parties concerned to reach some new compromises. However, when welcoming President Clinton's visit, Syria still emphasized that Israel must completely withdraw from the Golan Heights and southern Lebanon in order to realize peace between Syria and Israel.

Clinton's Gulf policy is an extension of Bush's policy. The United States has maintained that Iraq's recent military maneuvers in the border area adjacent to Kuwait indicate a continuing threat to security in the Gulf, and it is thus necessary for the Gulf countries to carry out close military cooperation with the United States in order to establish a "security mechanism"; that is, the deployment of a multinational force which is able to rapidly respond to Iraqi threats to invade Kuwait and other countries. The United States hopes that Saudi Arabia and Kuwait will allow the 20,000 U.S. troops withdrawn from Germany to be transferred to the Gulf, thus realizing the United States' strategic intention of maintaining a strong military presence there.

Clinton's mideast journey seeks to further strengthen the United States' position in that region. However, the situation of the Middle East is complicated, and the contradictions between various sides are prominently and profoundly interwoven. The facts will show whether Clinton can achieve his goals in his first visit to the Middle East.

XINHUA Reviews Clinton Visit

OW3010002294 Beijing XINHUA Domestic Service in Chinese 0655 GMT 29 Oct 94

[**"Roundup"** by XINHUA reporter Liu Shun (0491 7311) and Kang Xingping (1660 5281 1627); "President Clinton's Middle East Trip"]

[FBIS Translated Text] Cairo, 28 Oct (XINHUA)—President Clinton left Saudi Arabia late on 28 October, ending his first visit to the Middle East since he became president early last year.

Clinton has two missions for his Middle East visit: The first is, by taking advantage of the opportunity of attending the signing ceremony of the Jordan-Israel peace treaty, to advance the peace process in the Middle East and, in particular, break the stalemate in the talks between Syria and Israel, thus bringing about comprehensive and lasting peace in the Middle East; the second is to demonstrate the importance of strengthening the U.S. military presence in the Gulf.

According to a U.S. announcement, the principal mission of Clinton's visit is to attend the signing ceremony of the Jordan-Israel peace treaty. The Jordan-Israel peace treaty is the second peace treaty signed between Israel and an Arab country through the good offices of the United States, following the signing in 1979 of the Egypt-Israel treaty. As the first peace treaty signed between Arabs and Israelis on their own territory, it will mark another milestone in the process of achieving comprehensive peace in the Middle East.

Signs from Clinton's six-day visit indicate that his undisclosed goal is, however, to reestablish the dominant role the United States plays in the Middle East and to expand his achievements in foreign policy in preparation for the mid-term elections, and also his reelection as president. Clinton himself did not mince words when he said that peace in the Middle East conforms to the fundamental interest of the United States. He pointed out that in addition to celebrating the peace between Jordan and Israel, he will also work to promote peace between Israel and other Arab countries during his visit to the Middle East. He stressed that now is the time for other parties concerned in the Middle East to follow the example of the Jordan-Israel peace treaty.

Syria and Israel are the two key stops of Clinton's Middle East visit. After Palestine and Jordan signed agreements and a peace treaty with Israel, Syria has become the key to the accomplishment of peace in the Middle East. The United States believes that, without Syria, there will be

no comprehensive, lasting peace in the Middle East. Today, Syria and Israel still have differences on the issues of withdrawal of Israeli troops from the Golan Heights and normalization of bilateral relationship. Syria insists that Israel must commit itself to or a full withdrawal from the Golan in exchange for comprehensive peace, saying that it will discuss normalization of bilateral relationship after Israel makes such a commitment. Israel, on the other hand, favors phased withdrawal over at least three years and wants to see relations between the two countries normalized before troop withdrawal is completed.

As the results of Clinton's talks with Syrian President Hafiz al-Asad and Israeli Prime Minister Yitzhak Rabin indicate, all three leaders said they want to bring about peace between Syria and Israel at an early date. Clinton said that there has been some change in Syria's position on peace and it is closer to the goal of reaching an agreement with Israel. Hafiz al-Asad emphasized that Clinton's visit and the positive and fruitful talks between Syria and the United States represent major steps toward the lofty goal sought by people in the Middle East and the world over. Rabin indicated that Israel will work hard to remove the obstacles to Syria-Israel talks. Leaders of the three countries have all indicated that there has been progress on the Syria-Israel issue, but did not provide specifics.

Clinton's six-nation Middle East tour took him to Egypt, Jordan, Syria, Israel, Kuwait, and Saudi Arabia. While in Cairo, he met PLO Chairman Arafat and had discussions with him on implementing the PLO-Israeli agreements, alleviating economic difficulties in areas under Palestinian self-rule, and other issues. Clinton indicated that the United States will help Palestine and Israel in removing obstacles in the implementation of the agreement on Palestinian self-rule.

Observers here believe that Clinton's Middle East visit has injected new incentives to the peace process in the Middle East. An accompanying U.S. official noted that Clinton would be ready to make another trip to the Middle East if he can put the finishing touches on an Israel-Jordan peace treaty. As a matter of fact, even before his Middle East tour ended, Clinton instructed Secretary of State Christopher to go to the Middle East again in three weeks to start another round of shuttle diplomacy.

United States & Canada

Opportunities, Obstacles Seen in U.S. Ties

HK2810132794 Beijing LIAOWANG in Chinese No 43,
24 Oct 94 p 45

[“International Commentary” by Wei Guoqiang (7614 0948 1730); “Opportunities and Obstacles Exist Side by Side in Sino-U.S. Relations”]

[FBIS Translated Text] In early October, Vice Premier and Foreign Minister Qian Qichen travelled to the United States for a two-day official visit. During the visit, U.S. President Bill Clinton and Vice President Albert Gore separately met with Foreign Minister Qian. U.S. Secretary of State Warren Christopher held talks with him and signed two joint statements. Moreover, Qian also met with Commerce Secretary Ronald Brown and veteran U.S. senators. As he put it, his official visit “was a frank, pragmatic, and fruitful one.”

It was the highest-level official visit by the Chinese Government in recent years. Held at a crucial moment in Sino-U.S. relations, it therefore has great significance. During the visit, both sides maintained that relations between the two countries had markedly improved since the leaders of both countries met in Seattle last November. President Clinton's decision last May to extend China's most-favored-nation status and delink it from human rights issues has basically eliminated a major stumbling bloc in the development of Sino-U.S. relations and is of positive significance to developing political as well as economic and trade relations between the two countries. Both sides also agree Sino-U.S. relations are still suffering from some problems and obstacles which require both parties to seize the current favorable opportunities to increase understanding and expand cooperation so that the relations can enter a new stage of development.

Sino-U.S. relations have undergone many twists and turns. Over the past year, however, positive factors beneficial to the development of Sino-U.S. relations have gradually increased. This has first found expression in the increasing contacts between high-level leaders, including the leaders of both countries. In November last year, President Jiang Zemin met with President Clinton in Seattle. Both sides have affirmed the achievements of that meeting on numerous occasions. The two leaders are looking forward to another meeting at the unofficial conference of the leaders of the Asia-Pacific Economic and Cooperation Organization to be held in Indonesia in November this year. At the same time, mutual visits by high-level government officials have also visibly increased. Since the beginning of this year, U.S. Treasury Secretary Lloyd Bentsen, Secretary of State Christopher, Commerce Secretary Brown, and Defense Secretary William Perry have visited China in succession. Apart from Vice Premier Qian Qichen's recent visit to the United States, Vice Premier Zou Jiahua and State Councillor Song Jian visited the United States last spring, and Vice Premier Li Lanqing will visit the United States in November. There have been more frequent mutual visits and consultations at the vice-ministerial level. All these high-level contacts have promoted mutual understanding between the two countries, have provided more common grounds for improving and developing bilateral relations, and have resolved some differences. They have played a positive role in advancing bilateral relations. The so-called China missile proliferation issue was once a stumbling bloc in Sino-U.S. relations, over which the

United States applied sanctions against China, thus casting a shadow over bilateral relations. Through joint efforts, China and the United States recently reached an agreement to lift the sanctions applied against China by the United States in August 1993. After the sanctions were lifted, China made a commitment not to export surface-to-surface missiles, with the major parameters laid down in the Missile Technology Control Regime. Both parties also expressed their readiness to strive for an early agreement on an international convention banning the production of fission materials used in nuclear weapons and other nuclear explosion devices. Undoubtedly, this helps both parties eliminate misunderstanding, promote cooperation between the two countries in preventing the proliferation of weapons of mass destruction, and thus propel their bilateral relations forward.

China is upholding the policy of reform and opening up, and its economy has grown in a sustained, stable, and rapid manner. This has provided a powerful guarantee for the further expansion of economic and trade relations between China and the United States. China's huge market potential has a strong appeal for U.S. industrial, commercial, and business circles as well as investors. Economic growth in the United States has provided important overseas markets for the increased import to China of products needed in the modernization drive and for the export of Chinese products. Although there are still problems in the economic and trade fields, such as the trade imbalance and the protection of intellectual property rights, the two governments have expressed a willingness to create conditions for economic and trade cooperation between the business circles of both countries and to deal with these issues with a practical and cooperative attitude. The American side has reaffirmed its firm support for the restoration of China's signatory status in GATT.

Moreover, China and the United States have adopted a cooperative attitude on some major international issues and in the UN Security Council. This has great significance for safeguarding peace and stability in the world, particularly in the Asia-Pacific region. All these fully show that Sino-U.S. relations are developing in the direction of conforming to the fundamental interests of the two peoples. With the joint efforts of both parties, bilateral relations can be further developed. Therefore, both parties should do their utmost to continuously safeguard and develop the achievements that have already been made, because a wrong policy decision will have an unfavorable impact on bilateral relations. This is especially so with the United States.

There are still two outstanding issues in Sino-U.S. relations: One is related to human rights and the other has to do with Taiwan. In essence, both come under the category of China's internal affairs, which brook no interference from any foreign country. Although the Clinton Administration has delinked human rights from trade, it has not given up interfering in China's internal affairs in terms of human rights issues. It is still supporting the

so-called dissidents who are attempting to overthrow the Chinese Government and is still busy making preparations for the "Free Asia Radio Station" in order to launch a propaganda offensive. On the other hand, the Taiwan issue is part of China's internal affairs left over from the past. The Chinese Government's stand on this issue is consistent and known to all. The United States has affirmed on numerous occasions that it pursues a "one China" policy, abides by the three Sino-U.S. communiques, and keeps U.S.-Taiwan relations strictly within a nonofficial scope. Therefore, in handling Sino-U.S. relations, the U.S. Government must fulfill its commitments and obligations. What is worrying is that the U.S. Government has taken some actions this year to raise the level of its contacts with Taiwan, and some others are attempting to place the Taiwan Relations Act, a piece of domestic legislation, above the three communiques. Furthermore, the United States has paid lip service to the question of restoring China's signatory status in GATT, but in reality it has set some impractical and unreasonable demands. All this demonstrates the contradictions and ambivalence of the United States' China policy. It wants China to develop so as to reap more commercial benefits on the Chinese market, but it is also afraid that China may become powerful, so it always wants to contain China's development.

In short, in the current Sino-U.S. relations there are both favorable factors and opportunities for further development but, at the same time, there are also some difficulties and obstacles. However, as long as both parties act according to the principle of making joint efforts, reducing troubles, increasing cooperation, and refraining from confrontation, and as long as we face the 21st century and set our eyes on the future, Sino-U.S. relations will be able to continuously develop. Otherwise, a serious situation will develop which neither side wants to see.

Li Lanqing Meets Visiting U.S. Businessman

OW3110091094 Beijing XINHUA in English 0854
GMT 31 Oct 94

[FBIS Transcribed Text] Beijing, October 31 (XINHUA)—Chinese Vice-Premier Li Lanqing met here this afternoon with Richard Thomas, chairman and chief executive officer of the First National Bank of Chicago of the United States, and his party.

They exchanged opinions on issues of common concern. The U.S. visitors arrived here October 29 at the invitation of the Bank of China.

The First National Bank of Chicago, set up in 1863, opened its representative office in Beijing in October, 1980.

Business Delegation Leaves for Talks in U.S.

OW3110063894 Beijing XINHUA in English 0454
GMT 31 Oct 94

[FBIS Transcribed Text] Beijing, October 31 (XINHUA)—People from business circles of China and the

United States will hold talks on cooperation in Chinese infrastructure construction and auto projects within the next two weeks.

The talks are to be held in Washington and Chicago.

Two seminars are to be convened on China's infrastructures and automobile industry, respectively, in the two U.S. cities, which will be sponsored by a Chinese business delegation from the China Council for the Promotion of International Trade (CCPIT).

The delegation, consisting of over 100 people from Chinese Government departments such as the Ministry of Foreign Trade and Economic Cooperation and the State Planning Commission, from ten provinces as well as Shanghai, and from business circles, left here today for the United States.

Since China opened its overall infrastructure market this is the first time for seminars and business negotiations to be held in the U.S., said a CCPIT official.

The official, who will also be on the delegation, said that at the Washington seminar on "Chances for U.S. Companies in China's Infrastructure Development" relevant Chinese officials would introduce China's open policy, economic situation and prospects, as well as the development of and projects concerning energy, communications and telecommunications.

The projects to be negotiated will focus on construction of highways, bridges, power stations and hydroelectric projects, and the development and manufacturing of telecommunications equipment, the official said.

He added that at the Chicago seminar, under the title of "China: a Rising Power in Asia and Its Auto Industry", the Chinese delegation will brief attendants on China's economic legislation, foreign investment policy, status and future of China's auto industry and chances for investment in the production of auto components.

About 30 projects will be discussed in Chicago—all connected with auto components production, he said.

The official described the seminar and talks as a bridge for cooperation and exchanges between Sino-U.S. business circles, which will affect the overall development of Sino-U.S. economic cooperation.

Chinese Vice Premier Li Lanqing, who will visit the U.S. at that time, is expected to speak at the opening ceremonies of the two seminars, and participate in the signing ceremonies of agreements, the official disclosed.

He added that the U.S. Commerce Ministry, which seldom sponsors unofficial seminars, will help to organize the seminar in Washington.

U.S. business circles attach great importance to the seminar and talks, he said, adding that all important U.S. companies in finance, insurance, energy and telecommunications, as well as over 100 auto firms will participate

in the seminars and talks, at which U.S. companies with investment in China will introduce their experience in China.

Jiang Zemin Meets Chinese-American Mathematician

OW2810124394 Beijing XINHUA in English 1235
GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—Chinese President Jiang Zemin met here this afternoon with Professor Shiing Shen Chern, famous Chinese-American mathematician and honorary director of China's Nankai Institute of Mathematics, and his wife Shih Ning Chern.

During the meeting, Jiang and Chern had a friendly conversation on China's education.

Zhu Kaixuan, minister in charge of the State Education Commission and Mu Guoguang, president of Nankai University, were present at the meeting.

Professor Chern is one of the first foreign academicians of the Chinese Academy of Sciences, who has made great contributions to Sino-U.S. educational exchanges. He is here to preside over the academic annual meeting on differentials and geometry, and give lectures.

Sino-American Trade Symposium Held in Shanghai

OW2910143994 Beijing XINHUA in English 1338
GMT 29 Oct 94

[FBIS Transcribed Text] Shanghai, October 29 (XINHUA)—A symposium on the impact of the Uruguay Round GATT talks on the trade relations between China and the United States was held today in this China's largest industrial metropolis.

At the symposium, economic and law scholars from the two countries exchanged views on the following three topics:

- China's re-entry into the General Agreement of [as received] Tariffs and Trade (GATT) and World Trade Organization (WTO).
- International trade during the post-Uruguay Round of GATT talks.
- Practical problems and new U.S. trade law development affecting Chinese companies doing business in the United States.

The participants agreed that China and the United States are two big trading partners, and that the symposium is of great significance at the time when China is applying for the restoration of its seat in the GATT.

The symposium is deemed as being conducive to enhancing trade relations between the two countries.

At the symposium, American law specialists also answered questions raised by some business executives in Shanghai, who are doing import and export business with their counterparts in the United States.

XINHUA Roundup Views U.S. Dollar Exchange Rates

OW3010064694 Beijing XINHUA Domestic Service in Chinese 1007 GMT 29 Oct 94

[Roundup by XINHUA reporter Li Guowei (2621 0948 1219); "Observing the Causes of the Dollar's Devaluation From Two Phenomena in the Money Market"]

[FBIS Translated Text] London, 28 Oct (XINHUA)—The dollar's exchange rates have dropped several times recently, and two puzzling phenomena have appeared in the international money market. First, the dollar has continued to devalue even though the United States has raised interest rates five times this year and, theoretically speaking, the increases should have brought about a revaluation of the dollar. Second, while the yields of U.S. bonds are higher than those of German bonds, investors still favor German mark bonds and are reluctant to invest in dollar bonds. This has also exacerbated the dollar's devaluation.

When interviewed by this reporter, some London financiers maintained that the phenomena mentioned above are anything but odd. According to their analysis, although the United States has raised interest rates several times, the increases have yet to reach a level that can stabilize the dollar's exchange rates. When the U.S. Federal Reserve Board [FRB] raised the interest rate for the first time on 4 February of this year, the increase was only one-fourth of a percentage point. Investors thus remained skeptical about the U.S. Government's determination to substantially raise interest rates to control the overheating economy. The several subsequent interest rate increases were also moderate. Bochamp [bo qian pu 0590 6929 2528], chief economist of the Ham-bro's Bank's Market Research Department, maintained that the FRB did not believe that there was any real pressure from serious inflation. He said the United States was unwilling to raise interest rates because of the prevailing wish for economic growth, and a weak dollar is beneficial for U.S. exports and the growth of the economy as a whole. He said if the dollar does not drop to the level that will cause any market panic, the FRB would rather maintain the dollar's relatively low exchange rates.

The bond market's situation shows that the yield rates of U.S. dollar bonds are higher than those of German mark bonds. In October, the 10-year bonds' yield rate is 7.68 percent, whereas it is 7.41 percent for the German mark bonds; and the yield of three-month bonds is 5.5 percent in the United States as compared with 5.15 percent in Germany. Investors, however, care more about the market's future. As people maintain that the U.S. stance in controlling inflation through raising interest rates is

unclear, and they have greater confidence in Germany's determination and ability to control inflation, they would rather buy German mark bonds even though their yields are lower. Economists maintain that the United States cannot make investors buy dollar bonds and support the dollar unless it offers higher yield rates.

One other important factor that influences the dollar is the change of investment flow around the world. World capital is flowing into East Asian and Southeast Asian countries which enjoy fast economic growth, and also into Eastern European countries and Germany, and because of the dollar's low interest rates, large amounts of capital have flowed out from the United States and the percentage of dollar-based investments has dropped worldwide. This means lower demand for the dollar and the dollar's exchange rates have been affected. Japan's current move to encourage the recycling of its overseas capital to support the economic and financial systems at home has strengthened the yen and weakened the dollar.

The repeated drop in the dollar's exchange rates have caused concern in the international money market. Economists maintained that the dollar-mark exchange rate should be 1:1.5, and if the exchange rate falls under 1:1.45 or even lower, it will give rise to market panic.

American Express bank economist Cavalli [ka wei li 0595 4850 0448] maintained that the dollar's weakness will continue in the near future, but its intermediate future will not be pessimistic. He said the dollar's exchange rates will rise after the United States raises its interest rates and after the yield rates of German bonds decline. The reason the central banks of various countries have been cautious in intervening the money market together is because they can only purchase several billion to 10 billion dollars in the foreign exchange markets around the world, whereas some 1 trillion dollars are transacted in the foreign exchange markets around the world each day. To stabilize the dollar's exchange rate, efforts to intervene in the market must be supported with other measures, such as raising the interest rates in the United States.

Meteorological Cooperation With U.S. Affirmed

OW3010014094 Beijing XINHUA Domestic Service in Chinese 1200 GMT 27 Oct 94

[By reporter Xu Yong (1776 0516)]

[FBIS Translated Text] Washington, 26 Oct (XINHUA)—After a three-day meeting with U.S. officials of the Marine and Atmosphere Administration, an eight-member Chinese meteorological delegation led by China Meteorological Administration Director Zou Jingmeng signed today a summary of the 11th meeting of the joint Sino-U.S. Working Group for Scientific and Technological Cooperation in Atmosphere, affirming bilateral research activities in the field of atmospheric technology in the next two years.

The "Protocol on Scientific and Technological Cooperation in the Atmosphere" was one of the 30 protocols on cooperation in some specific spheres under the framework of the "Scientific and Technological Cooperation Agreement Between the Chinese and the U.S. Governments" signed in 1979. Departments in charge of atmosphere research in China and the United States have agreed to hold a joint working group meeting either in China or the United States every one or two years to review and summarize progress in cooperation during the previous period of time and to discuss the agenda for cooperation in the next phase.

In the past two years, Chinese and U.S. scientists have implemented 41 projects of the 43 atmosphere research projects affirmed at the last joint working group meeting held in China's Harbin. This meeting, which was held here, affirmed 45 cooperation projects in weather forecasting, regional weather forecasting, satellite meteorology and meteorological satellites, and atmospheric chemistry, and extended the period of time for Chinese personnel to participate in work carried out by the United States.

Since the Sino-U.S. "Protocol on Scientific and Technological Cooperation in the Atmosphere" became effective 15 years ago, Zou Jingmeng, who has been acting as the joint working group chairman of the Chinese side, said: China and the United States are located in similar climatic zones in the Northern Hemisphere, have experienced similar atmospheric and climatic phenomena, and are facing the same climatic disaster threats. Therefore, they have the same understanding and interests in many issues. These have formed an objective basis for bilateral cooperation in this field.

In reviewing the history of bilateral cooperation in meteorology, Zou Jingmeng said: The Chinese and U.S. meteorological circles have conducted exchanges for a long time. When new China was founded, there were quite a few scientists of Chinese origin who were studying or working in the United States, who returned to China to make contributions to the country. Soon after China and the United States began to normalize their relations in 1972, the two sides started mutual visits and exchanges through nongovernmental channels, thereby promoting mutual understanding, friendship among scientists, and laying a foundation for establishing official cooperative relations in 1979.

He emphasized: In view of Chinese scientists' diligence and wisdom, meteorological records and historic material accumulated in the course of long-standing Chinese civilization, and U.S. technology and capital, and with greater efforts being put in promoting mutual exchanges, lectures, and joint research, the two sides have seen better that China, which has made headway in atmosphere research over the past decade, and the United States, which has undergone two meteorological modernization reforms since the 1980's, have benefited a lot from cooperation; and mutual cooperation meets long-term strategic interests of the two sides.

He said: Relevant Chinese and U.S. personnel unanimously recognize that among the numerous bilateral scientific and technological cooperation, cooperation in the field of meteorology is where they have scored the most fruitful results, have showed greatest sincerity for cooperation, and have enjoyed the best cooperative atmosphere.

This senior scientist, who has been acting as the World Meteorological Organization chairman for two consecutive terms since 1987 and holds the record of a Chinese person acting as the top leader of a large-scale international organization, also pointed out: Since there are no national boundaries in atmosphere, bilateral cooperation between China and the United States is an actual need, and so is multilateral cooperation in the international community. Therefore, international cooperation in this field is very promising.

Central Eurasia

Li Peng Meets Russian, Central Asian Rail Ministers

*OW2810135794 Beijing XINHUA in English 1335
GMT 28 Oct 94*

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—Chinese Premier Li Peng congratulated the successful convening of a conference of the railway ministers of seven nations, and called for further joint efforts to ensure the smooth operation of the railway that runs through the Alataw Pass in China's Xinjiang Uygur Autonomous Region to Central Asia and Russia.

At a meeting with ministers of railway or transportation from Russia, Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan and Tajikistan, Li Peng said the continental passage linking China and Central Asia was of important political and economic significance. A full use of the "continental bridge" would not only help enhance the friendship and exchanges among the peoples of relevant countries but also benefit those countries in term of developing economic and trade relations, he added.

The economies of China and Russia and the five Central Asian countries are complementary and the potential for cooperation is great, Li said, adding that he and the leaders of five Central Asian countries shared the view when he visited these countries last April.

The railway through China's Alataw Pass and a port of Kazakhstan was opened on September 12, 1990. It started freight transportation on July 20, 1991.

Since the railway started its international business on December 1, 1992, it has handled a freight transportation volume of 1.788 million tons and 46,000 passengers.

The premier called for down-to-earth efforts to implement the program on international passage for transportation of passengers and cargos, formulated at the

meeting. To reinvigorate the ancient "Silk Road" and establish a new one, railway workers of the related countries should join their hands to effect new progress in trade and economic ties among the countries, he noted.

Before the meeting, Chinese Minister of Railway Han Zhubin and ministers from the six other countries signed a joint communique to this effect.

Agreement on Eurasian Railway Signed

HK2910073894 Beijing CHINA DAILY in English 29 Oct 94 p 1

[By Liu Weiling: "Rail Forum Spotlights Eurasian Locomotion"]

[FBIS Transcribed Text] Ministers of railways and transport from China, Russia and five countries in Central Asia signed an agreement yesterday in Beijing to fully utilize the Eurasian Railway which links these countries.

The agreement was hammered out after a three-day meeting and stipulates that the seven countries will unify their freight rates, introduce international clearing methods and co-ordinate their transportation plans.

The five Central Asian countries include Kazakhstan, Kirghizstan, Uzbekistan, Turkmenistan and Tadzhikistan.

Chai Pu'an, Deputy Director of the Foreign Co-operation Department of the Ministry of Railways, said the strengthened co-operation is aimed at fully employing the transcontinental railway that runs through the Alataw Pass on the border of China's Xinjiang Uygur Autonomous Region. Dubbed "the second Eurasian continental bridge," the railway starts from Lianyungang Port in East China's coastal province of Jiangsu and runs more than 10,000 kilometres across two continents to end in Rotterdam, the Netherlands.

Since the international passage was opened in December, 1990, a lack of co-operation and co-ordination has been the major hurdle hindering the countries to fully use the railway's capacity.

Cargo owners have to pay freights at different rates in the various countries and go through different customs procedures at the respective border ports.

Chai said this has sharply reduced passenger and freight volume since the railway opened to traffic at the end of 1992.

Passenger volume during the first half of this year was a feeble 4,500, 75 percent down from the same period a year ago.

Cargo transport volume through the Alataw Pass during the January-June period also dropped 33.8 percent from the same period last year to a low of 200,000 tons.

Chai said the seven countries have vowed to upgrade equipment, improve service and simplify procedures to better use the railway.

To do this, China will construct some complementary projects to beef up the just-completed dualtrack railways linking Lanzhou in Gansu Province with Urumqi in Xinjiang and Baoji in Shaanxi Province with Zhongwei in Ningxia Hui Autonomous Region.

Meanwhile, more efforts will be made to build up the electrified Gantang-Wuwei railroad in Gansu Province before the end of 1995, and speed up the dual-tracking of the rail section between Lianyungang and Xuzhou in Jiangsu Province.

Han Zhubin, Chinese Minister of Railways, said he believed that the full use of the international Euroasian railway will vitally enhance trade, economic and cultural exchanges among countries in the Pacific Rim, Central Asia, Europe and the Middle East.

Since the railway started its international business on December 1, 1992, it has transported a total of 1.788 million tons of freight and 46,000 passengers.

Sino-Uzbek Statement on Relations Issued

OW2910060894 Beijing XINHUA Domestic Service in Chinese 0620 GMT 27 Oct 94

[FBIS Translated Text] Beijing, 27 Oct (XINHUA)—A statement of the PRC and the Republic of Uzbekistan on the basic principles governing mutual relations as well as developing and deepening mutually beneficial cooperation was issued here today. The following is the text:

In view of the contacts, friendly relations, and tradition of mutual respect which took shape between the peoples of the PRC and the Republic of Uzbekistan (hereinafter also "the two sides") in the past and based on a common desire to further develop friendly and mutually beneficial cooperation, the two sides issue a statement as follows:

1. The PRC and the Republic of Uzbekistan are friendly close neighbors. Further developing friendly and mutually beneficial cooperation between the countries is in the fundamental interests of their peoples and conducive to maintaining peace, stability, and security in Asia and the rest of the world.
2. The two sides will develop long-term relations on the basis of the principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, mutual benefit on an equal footing, and peaceful coexistence.
3. The PRC and the Republic of Uzbekistan reaffirm their commitment to the aim and principles of the United Nations Charter. The two sides stand for the establishment of a just and reasonable international political and economic order. The two sides believe that all of the countries in the world have equal rights to

participate in international activities and that the people of every country have the right to independently choose the social systems, value concepts, and development suited to the actual conditions of their own country.

4. Neither side shall participate in or support any political or military alliance directed against the other side, or enter into an agreement or treaty harmful to the other side's sovereignty and security interests, or allow a third country to use its territory to harm the other side's sovereignty and security interests.

5. To further develop relations between the two countries, the two sides will hold meetings and maintain regular contacts at all levels.

6. The two sides will strengthen mutually beneficial cooperation on an equal footing in such fields as politics, economy, culture, science and technology, trade, transportation, communications, education, public health, journalism, tourism, sports, and environmental protection.

7. The two sides will develop trade and deepen economic cooperation on the basis of mutual benefit on an equal footing to promote common prosperity. Insofar as the appropriate laws of the two countries and their bilateral agreements permit, the two sides will encourage and protect investments in each other's territory; offer most-favored-nation status for trade with each other; promote and develop cooperation between their various departments, areas, and enterprises; encourage various forms of economic cooperation; and create favorable conditions to this end.

8. The two sides will develop and deepen cooperation in transportation via harbors, airports, and networks of railways and highways, including cooperation in facilitating the passage of passengers and goods through each other's territory.

9. The two sides will develop interparliamentary contacts and exchange experiences in legislation.

10. The two sides will conduct cooperation in offering judicial assistance to each other regarding civil and criminal cases. They will guarantee the rights to which the citizens of one side are entitled in the territory of the other side in accordance with the bilateral agreements on judicial assistance now in force and their respective international obligations.

11. The Government of the Republic of Uzbekistan recognizes the PRC Government as the sole legitimate government of China and Taiwan as an inalienable part of China's territory, and reaffirms that it will not have any form of official ties with Taiwan.

The PRC Government supports the efforts made by the Government of the Republic of Uzbekistan to promote economic development and carry out economic and social reforms.

12. The two sides will do their best to promote peace, stability, and security in the Asian region and the rest of the world.

13. The two sides will conduct cooperation in the fight against international terrorism, organized crimes, drug trafficking, smuggling, and other international criminal activities.

14. The development of bilateral relations between the PRC and the Republic of Uzbekistan shall not present an obstacle to the obligations they have respectively undertaken pursuant to the treaties and bilateral or multilateral agreements signed between each of them and a third country.

15. This statement takes effect on the date it is signed and shall remain valid until six months after one side serves a notice in writing requesting its termination to the other side through a diplomatic channel.

This statement is signed in duplicate in Beijing on 24 October 1994. Each copy of the statement is written in Chinese, Uzbek, and Russian. The three versions of the statement are equally valid.

The PRC
represented by
Jiang Zemin

The Republic of Uzbekistan
represented by
Karimov

Northeast Asia

Reportage on Vice President Rong Yiren's Japan Visit

Rong Yiren, Murayama Discuss Ties

OW3010050594 Beijing China Radio International in Japanese 0930 GMT 29 Oct 94

[FBIS Translated Text] Japanese Prime Minister Tomiichi Murayama met with Chinese Vice President Rong Yiren and his party, who are now in Japan on a visit, at the prime minister's official residence yesterday.

In the meeting, Vice President Rong Yiren talked about accomplishments made in various areas since the normalization of relations between China and Japan. Noting that the progress in Chinese-Japanese relations has not come without effort, he stressed that friendly relations must not be impaired.

Vice President Rong Yiren expressed hope that the Japanese Government will make contributions to further progress in the two nations' friendly relations of cooperative endeavors by strictly observing the principles of the Chinese-Japanese Joint Statement and the China-Japan Friendship Treaty.

In turn, Japanese Prime Minister Murayama noted that his predecessors built the foundation for friendly ties with China, overcoming various difficulties and putting

much effort into doing so, and said he has a duty to guard and preserve the relations.

Prime Minister Murayama added that the current Japanese cabinet considers the maintenance of good relations with China an important task, and wants bilateral relations to advance based on the principles of the Japanese-Chinese Joint Statement. He said this position of the Japanese Government will not change, and stressed that Japan will never do anything to create two Chinas.

XINHUA on Meeting

OW2810160994 Beijing XINHUA in English 1555
GMT 28 Oct 94

[FBIS Transcribed Text] Tokyo, October 28 (XINHUA)—Japanese Prime Minister Tomiichi Murayama said today that Japan will not engage in any activity of creating two Chinas.

During a meeting with visiting Chinese Vice-President Rong Yiren at the premier's official residence, Murayama said his cabinet attaches great importance to Sino-Japanese relations and will not change its "one China" policy, Chinese officials said.

Rong told Murayama that the relations between China and Japan should not be hurt by outside factors.

Rong said that developing the bilateral relationship benefits not only the two countries but also the Asia-Pacific region and the whole world.

He expressed his hope that Tokyo will adhere to both the 1972 Sino-Japanese Joint Statement and the 1978 Sino-Japanese Peace and Friendship Treaty, and push forward bilateral ties toward the 21st century.

Murayama said Japan will work hard for improvement in bilateral relations.

The Chinese vice president arrived here earlier today for a week-long visit.

Rong on Reunification

OW2910125194 Beijing XINHUA in English 1202
GMT 29 Oct 94

[FBIS Transcribed Text] Tokyo, October 29 (XINHUA)—Chinese Vice President Rong Yiren said here today China is determined to achieve a peaceful reunification with Taiwan as soon as possible.

In a speech at the Aoyama Gakuin University, the visiting Chinese vice-president said China will not tolerate any attempt to split China.

He also said China is confident that it will maintain the prosperity of Hong Kong and Macao after their return to China in 1997 and 1999.

Talking about the economic development of China, Rong said China is determined to quadruple its gross national product (GNP) by 2000 from the 1980 level.

Rong said he is confident that China will achieve the goal as long as it continues to accelerate the ongoing reform, which is leading China to a socialist market economy.

He predicted that China will become a middle-level developed country by the middle of the next century.

But he added China still faces difficulties in its modernization drive since it is a developing nation with a population of more than one billion.

While China is restructuring its economy, it is also carrying out political reform, by further improving the political system of multi-party cooperation led by the Chinese Communist Party.

It is of vital importance for China to maintain social stability in realizing the nation's industrialization program, he stressed.

On Sino-Japanese ties, Rong said relations between the two countries are entering a new stage of development, with the expanding bilateral trade and economic cooperation being a major indicator.

Japan is China's largest trading partner while China has become Japan's second largest market for export, with the turnover between the two countries expected to exceed 40 billion U.S. dollars this year, the vice president said.

But he also spoke of the need for Japan to adhere to the 1972 Sino-Japanese joint statement on the establishment of diplomatic relations and the 1978 peace and friendship treaty between the two countries.

Under both documents, Japan recognizes the Government of the People's Republic of China as the sole legitimate government of China with Taiwan being part of China.

Rong Yiren: China To Quadruple GNP by 2000

OW2910063694 Tokyo KYODO in English 0605 GMT
29 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 29 KYODO—Chinese Vice President Rong Yiren voiced strong determination Saturday [29 October] to achieve Beijing's target of quadrupling gross national product by 2000 from the 1980 level.

In a speech at a symposium in Tokyo on China and the 21st century, Rong said that economic achievement should make China a middle-income nation by the middle of the next century.

But Rong added China will not sacrifice the environment for economic development.

Former West German Chancellor Helmut Schmidt, another speaker at the symposium which was held at Aoyama Gakuin University, said China has strong potential of exceeding Japan in gross national product in 20 years and could surpass the United States as well.

But Schmidt said China must avoid domestic unrest, develop transport and telecommunications facilities, continue to introduce foreign capital, cut military spending and contain inflation to that end.

Japan's NTT To Help China Train Personnel

*OW2910143894 Beijing XINHUA in English 1328
GMT 29 Oct 94*

[FBIS Transcribed Text] Shanghai, October 29 (XINHUA)—The NTT Data Communications Systems Corporation of Japan intends to help China train the qualified personnel in data processing and modernization of telecommunications technology with a view to expanding bilateral cooperation in the 21st century.

Shiro Fujita, visiting president of the corporation which is the biggest large-scale computer software development company in Japan, made the remark while visiting Fudan University here today.

Xu Kuangdi, vice-mayor of Shanghai Municipality, exchanged views with the delegation headed by Fujita on matters concerning cooperation between the two sides on Friday [28 October] evening.

Shandong Congress Group Returns From Japan 28 Oct

*SK2910052594 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 28 Oct 94*

[FBIS Translated Text] After successfully concluding its eight-day visit to Japan, the provincial people's congress delegation headed by Li Zhen, chairman of the provincial people's congress standing committee, returned to Jinan on 28 October.

Greeting the delegation at the airport were Ma Zhongcai and Xu Xuemeng, vice chairmen of the provincial people's congress standing committee, and other personnel concerned.

During his visit in Yamaguchi Prefecture of Japan, Li Zhen relayed the regards of Secretary Jiang Chunyun and Governor Zhao Zhihao to the speaker of the Yamaguchi prefectoral parliament and the governor of the Japanese prefecture. He also held friendly talks with the speaker and governor on further developing the friendly relations and enhancing economic cooperation and parliamentary exchanges between the province and the Japanese prefecture. Li Zhen and his entourage also paid an official call to the Japanese Diet and were received by the speaker of the House of Representatives and vice speaker of the House of Councillors under the Japanese Diet.

Jiang Zemin Meets With DPRK Guests 31 Oct

*OW3110055794 Beijing XINHUA in English 0500
GMT 31 Oct 94*

[FBIS Transcribed Text] Beijing, October 31 (XINHUA)—Jiang Zemin, general secretary of the Central

Committee of the Communist Party of China (CPC), met with a delegation from the Democratic Front for the Reunification of the Fatherland of the Democratic People's Republic of Korea (DPRK) here this morning.

The delegation is headed by Chong Tu-hwan, president of the Central Committee of the front.

Extending his welcome to the delegation, Jiang, also president of China, said that China and DPRK are two neighbors with good relations, adding that bilateral friendship, cemented with blood and fostered by revolutionaries of the older generations of the two countries, has stood the test of time.

Jiang expressed his belief that the DPRK people will carry forward President Kim Il-song's will under the leadership of Kim Chong-il and build the country better.

Jiang asked Chong Tu-hwan to convey his greetings to Kim Chong-il.

Chong Tu-hwan passed the greetings and regards from Kim Chong-il to Jiang.

DPRK is glad to see the great achievements that China has made in its efforts in building socialism with Chinese characteristics, he said, and that facts show that the policies the CPC implements accord with China's conditions.

Chong Tu-hwan said developing friendship with China has always been DPRK's consistent policy, and that it will make further efforts to this end.

Hong Xuezhi, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), took part in the meeting.

The DPRK delegation is here at the invitation of the CPPCC.

Reportage on Premier Li Peng' ROK Visit

CHINA DAILY Previews Visit

HK3110053494 Beijing CHINA DAILY in English 31 Oct 94 p 4

[By Chen Yali: "Li's Visit to ROK Marks New Era"]

[FBIS Transcribed Text] Premier Li Peng begins a five-day official visit to Seoul today, bringing with him the tools for forging a new era of trade and economic relations between the two nations that only established diplomatic relations two years ago. The first Chinese head of state to ever visit the Republic of Korea (ROK). Li is accompanied by 30 entrepreneurs.

Trade and investment soared after the two sides established diplomatic relations on August 24, 1992, and ironed out many historical hurdles. The ROK's direct exports to China in 1992 grew 1.65 times from the previous year.

Four months after the meeting between President Jiang Zemin and South Korean President Kim Young Sam in Seattle in November 1992 at the Asian-Pacific Economic Co-operation summit, Kim visited Beijing. Economic ties reached a new level when two agreements were signed, offering preferential treatment for South Korean investors in China.

In 1993 trade volume jumped by 63.5 percent from 1992. Trade volume during the first eight months of this year reached \$6.89 billion, an increase of 54 percent from the same period last year. During the same time Chinese exports to South Korea grew by 63.5 percent, 13.5 percent more than imports.

In fact, the forging of diplomatic relations was based on the increasing trade since the 1970's via Hong Kong, which in turn boosted the development of economic exchanges. Historic links and official and cultural exchanges also helped strengthen the economic ties.

The booming economies of both nations have boosted demand for capital, consumer goods, and technology. The two nations are at different stages of development, and their economies are supplemental to each other.

China is eager for funds to support its rapid economic growth. And its enormous domestic market is luring more and more South Korean entrepreneurs to China to do business and invest.

In the hope of achieving sustainable economic growth, resource-hungry South Korea is in great need of crude oil, coal, cotton, grain, and textiles. While importing all these goods from China, it has at the same time found a vast market for its steel, machinery, automobiles, electronics, and chemicals.

During Li's visit, the two sides are expected to hold further discussions on the details of cooperation in such fields as aviation and automobile manufacturing. Both sides will benefit. China's prospering market initiated the proliferation of South Korea's exports, while China's Bohai Bay region—which includes the provinces of Shandong, Hebei and Liaoning as well as the Tianjin municipality—have been the first beneficiaries. Thanks to their low production costs, convenient transportation systems, well-trained workers, and advantageous geographical positions, these places have become the favorites of South Korean investors.

However, some experts insist that the status quo is far from desirable, especially when compared to the great potential. Trade volume with South Korea accounts for only 5 percent of China's foreign trade, and ROK investment is a mere 0.3 percent of the foreign funds China has received.

The resolution of such problems, which include imbalanced trade and the remaining artificial restrictions on technological exchanges, will undoubtedly push Sino-ROK relations to a new high.

The structure of investments also has room for improvement. As China goes all out to transform its traditional industries, it may encourage more ROK investment in technology and capital-intensive industries instead of labour-intensive ones.

Deepening economic ties have also provided an unprecedented atmosphere for mutual consultation on a wide range of regional and global affairs.

The Chinese Government seeks to play a creative and positive role in solving the nuclear dispute on the Korean Peninsula through all-around consultation. Considering its special relations with the two Korean countries, China's efforts may help promote understanding and trust between the two sides.

The landmark agreement signed by the United States and the Democratic People's Republic of Korea on October 21 proves that dialogue and consultation, which China has advocated from the beginning, are the only effective ways to solve the nuclear issue.

Economic development has become the main concern of China, which needs a peaceful internal and external environment to do so. A peaceful and stable Korean Peninsula is in the common interests of both Korean countries, China, and other Asian nations as well as the world as a whole.

Cooperation is also vital to regional development. The United Nations supported a northeast Asia economic development project, including the Tumen River Delta development zone, which will yield benefits for all participating nations only through higher-level cooperation.

China and the ROK should and are able to make further contributions to the stability of the Korean Peninsula as well as to the future development and prosperity of the Asia-Pacific region.

Li Peng Holds Briefing

OW3110054694 Beijing XINHUA Domestic Service in Chinese 0427 GMT 31 Oct 94

[By reporter Wen Jihua (2429 4949 5478)]

[FBIS Translated Text] Beijing 31 Oct (XINHUA)—At the invitation of Kim Yong-sam, president of the Republic of Korea, Premier Li Peng left Beijing for Seoul by special plane this morning on a five-day official visit to the ROK.

Speaking at a short press conference at the Great Hall of the People before the departure, Li Peng said: "This is my first visit to the ROK, and I hope the visit will contribute to expediting the development of Sino-ROK good-neighborly relations, and especially to strengthening the two countries' equal and mutually beneficial cooperation in the economic and trade spheres." Li Peng said he hoped the visit would be conducive to peace and stability on the Korean peninsula.

Li Peng said that during the visit he would hold official talks with President Kim Yong-sam, and would have meetings with ROK Prime Minister Yi Yong-tok and Parliamentary Speaker Hwang Nak-chu, as well as ROK business leaders. He said the two sides will also sign a series of important documents, including a Sino-ROK government accord on aviation. He also expressed the belief that, because of the two sides' efforts and cooperation, the visit will be a complete success.

During Premier Li Peng's visit to the ROK, the Sino-ROK Nongovernmental Economic Coordination Association will hold its second joint session, during which business leaders of the two countries will discuss issues relevant to the development of the two countries' relations in economic, technical, and trade areas.

Accompanying Premier Li Peng during the visit are Qian Qichen, vice premier and minister of foreign affairs; Chen Jinhua, minister in charge of the State Planning Commission; Wu Yi, minister of foreign trade and economic cooperation; Chen Guangyi, director of the Civil Aviation General Administration of China; and Yuan Mu, director of the State Council Research Center, as well as persons in charge of the Ministry of Foreign Affairs, the State Economic and Trade Commission, the State Council Foreign Affairs Office, the Aviation Industries of China; and the China Council for the Promotion of International Trade.

Also accompanying Premier Li Peng during the trip are Zhu Lin, wife of Premier Li Peng, and Zhou Hanqiong, wife of Vice Premier Qian Qichen.

Seeing Premier Li Peng off and wishing him success at the Great Hall of the People were Vice Premiers Zhu Rongji, Zou Jiahua, and Li Lanqing; Wang Hanbin, vice chairman of the National People's Congress Standing Committee; Luo Gan, state councillor and secretary general of the State Council; Wang Zhongyu, minister in charge of the State Economic and Trade Commission; and Qi Huaiyuan, director of the State Council Foreign Affairs Office, as well as Cho Sang-hun, minister of the ROK Embassy in China.

XINHUA Reports Li's Arrival

*OW3110073294 Beijing XINHUA in English 0711
GMT 31 Oct 94*

[FBIS Transcribed Text] Seoul, October 31 (XINHUA)—Chinese Premier Li Peng arrived here today to begin a five-day official visit to the Republic of Korea (ROK) at the invitation of ROK President Kim Yong-sam.

The visit is the first by a Chinese premier and the highest-level ever by a Chinese Government official since the two countries established diplomatic ties in August 1992.

The Chinese premier was greeted at the airport by ROK Foreign Minister Han Sung-chu and a grand welcoming ceremony was held there in Li's honor.

In an arrival written statement, Li said the establishment of diplomatic ties two years ago has opened a new chapter in the annals of the relations between China and the ROK.

Since then, the Chinese premier said, the friendly relations between the two countries have developed satisfactorily in every field due to the concerted efforts of both sides.

"A stable and healthy development of the friendly and good-neighborly ties between the two countries on the basis of the five principles of peaceful co-existence is consistent with the interests and wishes of the two peoples, and it contributes to stability on the Korean peninsula and to peace and development in northeast Asia, and in Asia and the world at large," he said.

"This is precisely the main objective of my current visit to the Republic of Korea," Li said, adding that the visit will undoubtedly give a fresh impetus to the furtherance of bilateral relations.

Li's entourage includes his wife Zhu Lin, Vice-Premier and Foreign Minister Qian Qichen, Minister in Charge of the State Planning Commission Chen Jinhua, Minister of Foreign Trade and Economic Cooperation Wu Yi, Director of the State Administration of the Civil Aviation Chen Guangyi, and others.

During his stay in Seoul, the Chinese premier is scheduled to hold talks with ROK President Kim Yong-sam and meet with Prime Minister Li Yong-tok and ROK National Assembly Speaker Hwang Nak-chu.

They will exchange views on a wide range of issues of common concern and discuss ways of advancing bilateral relations, particularly those of boosting economic cooperation between the two countries.

Variant Version of Statement

OW3110102994 Beijing XINHUA Domestic Service in Chinese 0737 GMT 31 Oct 94

[By reporters Tang Shuifu (3282 3055 1381) and Zhang Zhongyi (1728 1813 5030)]

[FBIS Translated Excerpt] Seoul, 31 Oct (XINHUA)—State Council Premier Li Peng arrived in Seoul by special plane at noon today, to begin a five-day official visit to the Republic of Korea [ROK] at the invitation of President Kim Yong-sam. [passage omitted]

In an written arrival statement, Premier Li Peng said: "China and Korea are two neighbors separated by waters. The friendship between the two peoples goes back a long way. The establishment of diplomatic relations in August 1992 opened a new chapter in the annals of relations between China and the ROK. Since then, friendly relations between the two countries have developed satisfactorily in every field due to the concerted efforts of both sides."

Li Peng said: "A stable and healthy development of the friendly and good-neighborly ties between the two countries on the basis of the five principles of peaceful co-existence is consistent with the interests and wishes of the two peoples; and it contributes to stability on the Korean peninsula and to peace and development in northeast Asia, and in Asia and the world at large. This is the main objective of my current visit to the ROK."

Li Peng added: During my visit, I will hold formal talks with President Kim Yong-sam, and meet with Premier Li Yong-tok and National Assembly Speaker Hwang Nak-chu. They will exchange views on a wide range of issues of common concern and discuss ways of advancing bilateral relations, particularly on boosting economic cooperation between the two countries. A series of documents, including an aviation agreement, will also be signed between the two governments.

Li Peng expressed the belief that the visit will undoubtedly give a fresh impetus to the furtherance of bilateral relations. [passage omitted]

After the welcoming ceremony, Premier Li Peng and his wife headed for Hotel Lotte where they will be staying for the next few days.

'Roundup' Views Economic Relations With ROK

OW3010104694 Beijing XINHUA in English 0934
GMT 30 Oct 94

[("Roundup": "Sino-ROK Economic Cooperation Develops Fast")]

[FBIS Transcribed Text] Seoul, October 30 (XINHUA)—Trade and investment cooperation between China and South Korea has developed steadily since the two countries established diplomatic ties in August 1992.

Statistical figures from both sides showed direct trade between the two sides, which started and stood at 3.1 billion U.S. dollars in 1988, had almost tripled to reach 9.08 billion dollars last year.

During the first half of this year, the volume stood at 5.45 billion U.S. dollars, up 29.5 percent from the same period of last year, and it is expected to total 12 billion U.S. dollars for the whole of 1994.

As a result, China has become South Korea's third largest trading partner, while South Korea ranks sixth among China's trading countries.

Along with the accelerating growth in bilateral trade, direct investment in China by South Korean firms, spurred by diplomatic ties, has also surged since 1992.

Starting with only two cases in 1988, the figure had skyrocketed to reach 1,543 cases, involving 1.31 billion U.S. dollars on an approval basis, by the end of June this year. China is now the largest destination of South Korean overseas investment in the number of projects.

The average size of investment in a single project had also risen from 800,000 U.S. dollars in 1991 to 1.5 million last year.

As domestic wages have tripled in the past few years, hundreds of South Korean companies are rushing to China to build plants for making textiles, toys, footwear, electric appliances, etc.

Meanwhile, negotiations are underway between some major South Korean firms and their Chinese partners on new large projects that cover a wide range of industries including electronics, steel, automobiles and petrochemicals.

Businessmen and economists of both sides said the mutual complementarity between the two countries in economic structure suggests great potential for bilateral economic and trade cooperation in numerous areas.

And they predicted that this cooperation will intensify on the basis of mutual benefit, helping advance economic development and prosperity in both China and South Korea.

The Korea Foreign Trade Association (KFTA), a major South Korean economic organization, forecast that bilateral direct trade and direct investment by South Korean firms in China will reach 20 billion U.S. dollars and four billion U.S. dollars, respectively, in 1997.

The fast growing economic cooperation between China and South Korea is attributed to their good neighborly relations, diplomats and analysts said. The increasing exchange of visits and meetings between top leaders of the two countries over the past two years have enhanced mutual understanding and trust, they noted.

They added that the closer ties between the two countries, which end the past and open the future, are what the two peoples have aspired for, and what serve the interest of peace and development in northeast Asia and in Asia as a whole.

Chinese Premier Li Peng will pay a five-day official visit to South Korea from October 31 to November 4 at the invitation of President Kim Yong-sam. Li is the first Chinese leader to visit South Korea since the two countries forged diplomatic ties.

South Korean officials and local media said that the Chinese premier's visit will provide another good opportunity to enhance the two countries' relations to a higher level.

Southeast Asia & Pacific

Australian Official Views Trade Relations

HK2810145794 Beijing ZHONGGUO XINWEN SHE
in English 1257 GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (CNS)—Economic activities and trade between China and Australia have been on a rapid rise in recent years, and a

senior Australian commercial official stationed in China elaborated on such economic relations between the two countries.

The bilateral trade was valued at 5.2 billion Australia dollars last year, 24 percent up over the previous year. Of the value, China saw a 26 percent gain of export and Australia 20.2 percent. Australia maintained a strong export trend in the first half of this year, while imports from China grew only by half of the gain of export, striking a basic balance in its foreign trade.

Imports from China into Australia at present are twice the value registered in the mid-1980's and the early 1990's. China is Australia's seventh biggest importer and is the largest supplier of garments, shoes, toys and sport articles. The Australian official said that imports from China tended to be diversified, and the import items such as textiles, garment and shoes were reduced to 43 percent in 1993, down from 60 percent in the early 1980's. A gain of import from China of such traditional light industrial products as ceramics, tourist articles, toys and sport articles came to a halt following exploitation of new items in the trade sector.

The new import items into Australia mainly are electronic instruments and machinery. The import value was put at nearly 150 million Australia dollars last year, and a total of 180 million Australia dollars worth of such imports is expected for this year. New items brought into Australia from China are mainly colour televisions, household electrical appliances, communications devices and household equipment.

Change has taken place in Australia's export to China since the 1980's. Farm produce, mainly including wheat, sugar, wool, made up 80 percent of Australia's export in 1981, while such products still account for one third of the country's export at present. A sharp rise in wool exports continued in the first half of this year, while iron ore export to China also saw a rapid gain in recent years.

Australia's manufacturing industry has successfully set foot on the China market in recent years, with an export value of 420 million Australia dollars in 1993 or a gain of 500 percent from the original value of 82 million Australia dollars in 1990. Exports from the manufacturing sector made up about 25 percent of the total exports to China last year, up from a mere 15 percent five years ago.

Statistics showed that China's investment in Australia reached 134 items by the end of 1993, with a total value of 330 million Australia dollars. Items of greatest investment value was put at 120 million and 100 million Australia dollars respectively.

There are increasingly Chinese companies and enterprises of central or local level rushing to make small investment in Australia. The investment scope covers restaurants, farms, paper making, clothing, mining, pharmacy, real estate, retail business, wool processing

and meat processing. There are about 100 Chinese companies and enterprises having offices or branches in Australia, and the number is now on the rise.

Australian investment in China is also in an upward trend to cover a wide scope, including steel pipe for use in automobile and large household electrical appliances, telephone set, cable, food processing, woolen products, metal equipment, plastic articles and optical lenses. Australian businessmen are also eager to invest in the sectors of mining, livestock farming, as well as in broadcasting, transportation, refrigeration, fur industry, accounting, computer software, banking and other kinds of services.

A joint economic commission comprising representatives from China and Australia is an important institution for economic cooperation and trade between the two countries. There are six other professional bodies for energy, wool, iron and steel, rare metals, machinery and electronics and communications and transportation. They specialize in the formulation of principles for economic activities and trade and in maintaining the necessary links between the two countries.

Near East & South Asia

Mideast, N. Africa Economic Summit Previewed

'Backgrounder' on Summit

OW3010140494 Beijing XINHUA in English 1351
GMT 30 Oct 94

[“Backgrounder”: “Middle East, North Africa Economic Summit”]

[FBIS Transcribed Text] Casablanca, October 30 (XINHUA)—The Middle East and North Africa economic summit is to open in Casablanca, capital of the Morocco later today.

The summit comes three years after the 1991 Madrid Conference, which heralded the start of comprehensive Arab-Israeli peace talks.

The Casablanca summit is seen as another Middle East milestone, at which most of the Arab states and Israel will officially open their doors to economic cooperation and regional development after a half century of belligerency and boycott.

Sponsored by U.S. President Bill Clinton and Russian leader Boris Yeltsin, senior political figures from Arab nations, Israel, U.S. and elsewhere are gathering in this Moroccan atlantic city to float a number of Arab-Israeli joint development plans and fashion a framework for further business and private sector investment in the region.

The Middle East is at a historic crossroads. The peace process, initialized in Madrid and catalyzed in Oslo, has transformed the political map of the region.

Israel and Jordan have signed a historic peace treaty ending their 46-year state of war.

Pursuant to Israel's agreement with the PLO, the Palestinians have assumed authority in the Gaza Strip and Jericho.

Morocco and Tunisia have established formal ties with Israel. Negotiations between Syria and Israel and between Israel and Lebanon, brokered by the U.S., are continuing.

The six states of the Gulf Cooperation Council (GCC) have announced their case of the secondary and tertiary boycotts of Israel.

In today's world, the economic strength is essential to anchor peace agreements and declarations and spur economic prosperity that requires regional solutions.

To this end, the multilateral Arab-Israeli talks have been successful in initializing the momentum toward regional economic cooperation.

Meanwhile, an environment of peace encourages the investment necessary to advance the economic development.

The Casablanca Conference marks a new stage of the peace process. The fact that this economic conference will take place and Amman has agreed to host the second of such meeting in mid-1995 illustrates the region's intent to maintain and promote this framework for the advancement of regional cooperation.

The main objectives of the Casablanca Conference are known as:

- To provide a meeting place for key policy makers and business leaders from the Arab world, Israel, the U.S., Europe and Asia to interact and forge ties;
- To offer an opportunity for the governments of the Middle East and North Africa to promote ideas for economic growth and concurrently to facilitate access to regional development projects; and
- To enable the business community to capitalize on the region's growth potential by examining opportunities for investment and joint ventures.

However, Israeli Foreign Minister Shim'on Peres, the most enthusiastic advocate of a "new Middle East," predicted that "this conference is for meeting face-to-face and not for signing projects."

The primary aim of the Casablanca Conference is to conclude a "Casablanca declaration" announcing, among other things, the creation of a regional financial instrument to facilitate the specific economic and investment needs of the region in both the long and short terms.

Some proposals that have been put forward include the establishment, some way or other, of a Middle East

development bank and of a future Middle East and North Africa economic community, formation of a standing secretariat has also been proposed.

Aims of Summit Viewed

OW2910105594 Beijing XINHUA in English 0919
GMT 29 Oct 94

[["News Analysis" by Xia Haitao: "Outlook of Casablanca Conference"]]

[FBIS Transcribed Text] Casablanca, October 29 (XINHUA)—The Middle East and North Africa economic summit to open in the Moroccan city of Casablanca Sunday [30 October] aims to consolidate peace in the region through economic cooperation and development.

With the breakthrough on the Palestine-Israel and Jordan-Israel tracks of peace talks and the low-level normalization of relations between Israel and the two North African countries of Morocco and Tunisia, the Middle East and North Africa needs new economic realities to accompany the dramatic political changes.

In the Casablanca parley, statesmen and businessmen will get together to map out regional development strategies that will be included in a "Casablanca declaration" to be issued at the end of the conference, seeking best balance between urgent political issues and economic priorities.

The parley will provide a forum for gaining fresh momentum of dialogue to help break the long-standing political problems such as the Syria-Israel track dilemma, the Israeli withdrawal from the occupied Arab territories and the lifting of Arab boycott of the Jewish state.

But most topics on the agenda are economic. Three main objectives have been assigned to the conference: To identify and mobilize private and public actors to contribute constructively to the regional development, to identify all mechanisms to be put in place in order to create the best conditions for investments in the region, and to design permanent structures that will support initiatives in the long term.

Among the priorities will be attracting private sectors to invest in the region, particularly in the projects envisaged in the PLO-Israel economic pact and the Jordan-Israel plan of developing the Jordan Valley.

To this end, Israel will present to the conference 150 development projects and propose the formation of an Arab-Israeli Development Bank to fund the projects.

The regional bank, modeled on the European Bank for Reconstruction and Development, will have an initial capital of 10 billion U.S. dollars, 40 percent coming from the Middle East and 60 percent from other parts of the world. Several regional investment centers, a regional chamber of commerce, a steering committee and a secretariat have also been envisaged.

As for the regional economic cooperation, the conference will put the joint development of regional infrastructure before that of regional trade and will seek cooperation in this aspect with the economic development working group of the Middle East multilateral talks. Multilateral negotiations have made marked progress on the regional development projects as agreed upon in the Copenhagen action plan declared in November 1993.

In the Middle East, interregional trade stands at a diminutive 8 percent of the total trade volume and the Arabs' investment outside the Arab world is 56 times more than that inside the region. This trade and investment approach could not be changed in a short time.

Yossi Beilin, Israel's deputy foreign minister, said in May, "In the next five years in the Middle East, with Palestine, Egypt, Jordan, Syria and Lebanon, we may see the building of a common infrastructure linking electricity grids, transport networks, telecommunications and water. If we do, in the next 10 years or so we can look at the possibility of a common market."

The long-term objective of the Casablanca conference is to create the regional common market and realize the free movement of production actors such as labor, goods and capital.

The region has some advantages in this orientation. This part of the world has plenty of oil and gas, offering a potential of mutual supplement of regional resources. Up to the mid-year of 1993, the region had had 48 economic free zones in 14 Middle East countries, and had seven GATT full members and another seven GATT observers, rendering the Middle East market a characteristic of openness and an easy approach to the international economic arena.

The momentum of the Middle East peace process and the broad sympathy and support already gained for the reconstruction of a "new Middle East" make it possible for some of the objectives of the Casablanca conference to be realized.

But as the conference's steering committee meeting held in Rabat on September 22 pointed out, the risks inherent in setting up unrealistic goals for the conference should be recognized.

Six Arab countries have refused to take part in the conference. The Syria-Israel track dilemma, the difficulties in identifying funds and unexpected events that may take place at anytime in the region may cause break in the network of joint development endeavors. But the conference will surely provide the first link in a long chain that requires a long term commitment to the "new Middle East" vision.

Middle East Economic Summit Opens

OW3110061894 Beijing XINHUA in English 2154
GMT 30 Oct 94

[By Huai Chengbo]

[FBIS Transcribed Text] Casablanca, October 30 (XINHUA)—The Middle East-North Africa Economic Summit, the first ever in the region, was opened this evening by King Hassan II at the Royal Palace in Casablanca, Morocco's economic capital.

The conference, sponsored by U.S. President Bill Clinton and Russian President Boris Yeltsin under the framework of the Madrid Peace Conference in 1991, came against the backdrop of an advancement in the Middle East peace process.

In his welcoming address to the conference, which draws nearly 2,000 delegates from 60 countries and international organizations, King Hassan II said that the main goal of the summit is to consolidate the basis of a comprehensive and lasting peace in the region.

He emphasized that the conference is also aimed at exploring all possibilities of investment to guarantee the regional economic take-off.

He said the conference will provide business people and experts with opportunities to exchange experience and a proper framework for consolidating the basis of peace.

Among the dignitaries are 12 heads of state and government and 125 ministers, including PLO Chairman Yasir Arafat, Israeli Prime Minister Yitzhaq Rabin, U.S. Secretary of State Warren Christopher and Russian Foreign Minister Andrey Kozyrev. China is represented by Tian Zengpei, vice minister of foreign affairs.

The three-day conference will discuss ideas to establish a Middle East Development Bank and a future Middle East-North Africa Economic Community.

A standing committee is also expected to be discussed at the summit, to be responsible for the preparation of the second summit in Amman, capital of Jordan, in mid-1995.

Air Force Commander Receives Egyptian Officers

OW3010131694 Beijing XINHUA in English 1304
GMT 30 Oct 94

[FBIS Transcribed Text] Beijing, October 30 (XINHUA)—General Cao Shuangming, commander of the Air Force of the Chinese People's Liberation Army (PLA), presided over a welcome ceremony for Lieutenant General Ahmed Abdel Rahman Abu Talib [name as received], commander of the Air Defense of Egyptian Armed Forces, and his party here this morning.

This evening Cao hosted a banquet in honor of Talib and his party, who arrived here yesterday for a visit at Cao's invitation.

Kuwaiti Oil Minister To Visit in Nov

OW2910164894 Beijing XINHUA in English 1622
GMT 29 Oct 94

[FBIS Transcribed Text] Kuwait City, October 29 (XINHUA)—Kuwait Oil Minister 'Abd-al-Mohsen Madaj confirmed today that he will pay a visit to China by the end of November.

In a meeting with Li Yizhong, executive vice president of the China Petrochemical Corporation (SINOPEC), Madaj said cooperation between China and Kuwait in the petrochemical field that began at the early 1980's is fruitful and going on normally.

He cited a fertilizer factory, a Sino-Kuwaiti joint venture, built in Urumqi in Xinjiang, northwestern China, in the 1980's, and a renovating project of the Kuwaiti Al-Ahmedi Refinery established after the 1991 Gulf War.

Li and his accompanying delegation, the first of its kind, arrived here Thursday [27 October] at the invitation of the Kuwait Petroleum Corporation to explore the possibility of China importing Kuwaiti crude.

According to statistics issued by China's customs, the country's oil output reached 14,492 million tonnes, or 2.78 million barrels per day (BPD), in 1993, ranking the fifth among the world oil producers.

"China imported 15 million tonnes in 1993 and 7 million tonnes in the first half of this year. The figure will increase to 44 million tonnes by the year 2000," Li said.

He said China mainly imports low-sulphur oil from Southeast Asia.

However, Li emphasized that China will also increase the import of high-sulphur crude from.

"So, we hope the Kuwait Petroleum Corporation could provide investment cooperation with China in its coastal region," Li told Madaj.

Madaj said Kuwait is keen on cooperating with friendly countries to develop national industries.

"Kuwait petroleum corporation is expecting to seek well-known companies in China and the far east to establish cooperation," the minister added.

A source from the Kuwait Petroleum Corporation said earlier that this oil-rich gulf emirate is planning a total of 1 million BPD refining capacity in the country by 2000, and 400,000 BPD in joint refineries in Asia and 300,000 BPD in Europe.

Kuwait, which has an oil reserve of some 96 billion barrels, is attempting to breakthrough the current OPEC quota of 2 million BPD to close its existing oil capacity of 2.5 million BPD, under a pressure of increasing expenses due to the Gulf War cost and the reconstruction.

NPC Delegation Winds Up Visit to Morocco

OW3110104694 Beijing XINHUA Domestic Service in Chinese 0209 GMT 30 Oct 94

[By reporter Ge Canglin (5514 0221 7792)]

[FBIS Translated Text] Rabat, 29 Oct (XINHUA)—Li Peiyao, vice chairman of China's National People's

Congress [NPC] said here today that the NPC delegation's goodwill visit to Morocco was a great success and had deepened the mutual understanding and friendship between the Chinese and Moroccan parliaments and peoples.

Li Peiyao made the above remarks in a statement to the press before departure from Morocco. He said: China attaches a great importance to developing friendly and cooperative relations with Morocco and is willing to push bilateral relations to a new height.

He said: During the visit he was most impressed with the consensus of the Moroccan parliament and political parties to continue to develop friendly and cooperative relations with China, as well as their desire to further strengthen bilateral cooperation in the political, economic, trade, and culture realms.

Li Peiyao spoke highly of Morocco's political stability, social development, and people living in peace and contentment under the leadership of King Hassan II.

The Chinese NPC delegation arrived in Morocco 23 October. During the visit, the delegation met and held talks with parliament president A-sai-yi-de [name as published], prime minister Filali, and leaders of the political party in the parliament. The NPC delegation is scheduled to depart Morocco for a visit to Tunis.

Jiang Zemin Meets Nepalese Crown Prince

OW2810125194 Beijing XINHUA in English 1228 GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—Chinese President Jiang Zemin met with Dipendra Bir Bikram Shah Dev, crown prince of the Kingdom of Nepal, and his party here this afternoon.

Prior to Beijing, Dipendra had already toured Tibet and he is scheduled to visit other places.

Jiang said that China and Nepal are friendly neighbors with close bilateral relations, adding that he is confident that the relations will be furthered on the basis of the five principles of peaceful co-existence.

China has all along persisted in the five principles in dealing with country-to-country relations, Jiang said. "China does not interfere in other nations' internal affairs and it does not allow others to interfere in China's internal affairs," stressed. [sentence as received]

The Chinese president asked the crown prince to convey his regards to King Birendra of Nepal.

As a neighbor of China, Dipendra said, Nepal is glad to see China's achievement since China's development is conducive to the progress of his country.

During the meeting, Dipendra handed to President Jiang a letter from King Birendra.

Li Peng Meets Outgoing Pakistan Ambassador

*OW2810130294 Beijing XINHUA in English 1222
GMT 28 Oct 94*

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—Chinese Premier Li Peng expressed appreciations to outgoing Pakistan Ambassador to China Khalid Mahmud for the work he has done to enhance Sino-Pakistan relations in a meeting with him today.

During his term of office in Beijing, the Sino-Pakistan relations has been developing fine, Li said.

Ambassador Khalid Mahmud is expiring his term of office in China and will return home shortly.

Buddhist Delegation Meets Sri Lankan President

*OW3010112494 Beijing XINHUA in English 1107
GMT 30 Oct 94*

[FBIS Transcribed Text] Colombo, October 30 (XINHUA)—Sri Lankan President D.B. Wijetunga today met with a visiting Chinese Buddhist delegation led by Ming Shang, vice-president of the Buddhist Association of China.

They expressed the hope that exchanges and cooperation between Buddhist circles of the two countries will be increased.

The Chinese delegation arrived here October 23 on an 8-day visit to Sri Lanka.

Sub-Saharan Africa**ACFTU, Malian Trade Union Leaders Meet**

*OW2810123194 Beijing XINHUA in English 1157
GMT 28 Oct 94*

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—Wei Jianxing, president of the All-China Federation of Trade Unions (ACFTU), met with Issa Doucoure [name as received], general secretary of the National Union of Workers of Mali, and his party and gave a dinner in their honor here today.

During the meeting, they held cordial talks on expansion of exchanges between the trade union organizations of the two countries.

The three Malian visitors are here on a goodwill visit to China as guests of the ACFTU.

CPC Delegation Departs for S. Africa, Angola

*OW3010062894 Beijing XINHUA in English 0605
GMT 30 Oct 94*

[FBIS Transcribed Text] Beijing, October 30 (XINHUA)—A delegation from the Communist Party of China (CPC) left here today for South Africa and Angola.

The Chinese visitors, led by Li Chengren, deputy head of the International Liaison Department of the CPC Central Committee, will be guests of the South African Communist Party and the People's Liberation Movement of Angola.

Zambia, Beijing Mark Ties

*OW2810151694 Beijing XINHUA in English 1415
GMT 28 Oct 94*

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—A banquet to mark the 30th anniversary of the establishment of Sino-Zambian diplomatic relations was held by the Chinese People's Association for Friendship with Foreign Countries (CPAFFC) here this evening.

Speaking at the banquet, CPAFFC Vice-President Xu Qun said that since their establishment of diplomatic relations, China and Zambia have had fruitful co-operation in the fields of politics, economy, trade and culture.

The successful visit to China by Zambian President Chiluba in October, 1993 demonstrated that the friendly co-operative relations between the two countries have entered into a new period of development, Xu added.

Xu noted that the Chinese people are willing to learn from each other, closely co-operate and march forward together with the Zambian people in the grand cause of maintaining world peace and building up their respective nations.

Zambian Vice-Foreign Minister Hon. Mmembe, who is leading a delegation here to attend the celebration activities, said that since 1964, China has been an "all-weather friend of Zambia" and will continue to be.

She said that her country will always cherish its friendship with China and is looking forward to further enhancing the bilateral co-operation in all fields.

Envoy to Zambia Hosts Reception

*OW2910004094 Beijing XINHUA in English 2125
GMT 28 Oct 94*

[FBIS Transcribed Text] Lusaka, October 28 (XINHUA)—Chinese Ambassador to Zambia Yang Zengye gave a reception here this evening to celebrate the 30th anniversary of the establishment of diplomatic relations between China and Zambia.

Speaking at the reception which was permeated with a friendly atmosphere, Zambian Foreign Minister Remmy Mushota said China has been and will continue to be Zambia's "all weather friend" since 1964.

"Zambia will forever cherish the bonds of friendship that characterize our warm relations. In this regard, we look forward to continued greater cooperation between our two nations," he added.

On the same occasion, the Chinese ambassador said the Sino-Zambia friendship has been strengthening steadily in the past 30 years and the fruitful cooperations in fields of politics, economy, military and culture have been enhanced.

President Frederick Chiluba's successful visit to China last October has upgraded the friendly relations to a new stage, the Chinese ambassador added.

A Zambian delegation headed by Deputy Foreign Minister Wendy Membe is attending the 30th anniversary celebrations in Beijing.

The two countries set up diplomatic ties on October 29, 1964.

West Europe

CPPCC Delegation Ends Austria Visit 28 Oct

OW2910110494 Beijing XINHUA Domestic Service in Chinese 0317 GMT 28 Oct 94

[By Reporter Yang Huanqin (2799 3562 0530)]

[FBIS Translated Text] Vienna, 28 Oct (XINHUA)—A delegation of the Chinese People's Political Consultative Conference [CPPCC] headed by Qian Zhengying, vice chairman of the CPPCC National Committee, concluded its visit to Austria and left for home by plane on the evening of 28 October. Shiltusenberg, [name as transliterated], vice president of the Austrian Federal Assembly, saw the delegation off at the airport.

During their stay in Austria, Qian Zhengying and company held talks with leaders of the Austrian Federal Assembly and met government leaders including Mock, minister for foreign affairs; Fischler, minister for agriculture and forestry; and Ms. Rauch-Kallat, minister for environment. They also visited factories and wine cooperatives in Vienna and elsewhere and had informal discussions with local businessmen.

The CPPCC delegation arrived in Vienna on 22 October.

CPC Delegation Winds Up Visit to Cyprus

OW3010110194 Beijing XINHUA in English 1024
GMT 30 Oct 94

[All Cypriot names as received]

[FBIS Transcribed Text] Nicosia, October 30 (XINHUA)—A delegation from the Communist Party of China (CPC) left here today for Athens, Greece after a five-day goodwill visit to Cyprus.

The delegation, led by Li Wenquan, deputy secretary of Shandong Provincial Party Committee of CPC, arrived here on October 26 at the invitation of the Cyprus Communist Party AKEL.

General Secretary of AKEL Demetrius Christofias met Friday with the delegation and held talks with the

Chinese visitors on bilateral relations, relations between the two parties as well as international and regional issues of mutual concern.

Christofias hailed the outstanding achievements in the economic development in China, saying that China has correctly followed the reform and opening-up policy while upholding socialist orientation and leadership of the party.

He expressed satisfaction over the steady development of the good relations between the two parties.

AKEL is the second largest political party and main opposition party in Cyprus. It obtained 18 seats in the 56-member of the parliament in the last general elections, only two seats less than the ruling Democratic Rally Party (DISY).

Li Wenquan briefed the general secretary on the latest economic and political development in China.

The Chinese delegation also met respectively with President of the ruling Democratic Rally Party Yannakis Matsis, President of the Democratic Party (DIKO) Spyros Kyprianou and President of the Socialist Party (EDEK) Vassos Lyssarides.

Beijing, Amsterdam Forge Friendly Ties

OW2910144794 Beijing XINHUA in English 1401
GMT 29 Oct 94

[FBIS Transcribed Text] Beijing, October 29 (XINHUA)—A joint statement on the establishment of the friendly ties between Beijing of China and Amsterdam of the Netherlands was signed here this evening.

By now, Amsterdam becomes the 21st foreign city to forge close links with the Chinese capital of Beijing.

Beijing Mayor Li Qiyan and his Amsterdam Counterpart Schelto Patijn signed the document.

According to the statement, the two cities will further increase their contacts, especially in the fields of social affairs, economy, culture, urban management and planning, and science sphere.

Prior to the signing ceremony, Li had a meeting with Patijn and his party and briefed them on Beijing's changes after implementing the policy of reform and opening-up.

European Investment Symposium Held in Beijing

OW3110115694 Beijing XINHUA in English 1148
GMT 31 Oct 94

[FBIS Transcribed Text] Beijing, October 31 (XINHUA)—A symposium on investment in Europe opened today here in Beijing.

Organized by the Hofung Co. Ltd of the Netherlands, the symposium is to introduce ways of promoting sales by

setting up firms in Europe, in the Netherlands in particular, according to participants of the symposium.

It is also one of a series of symposiums held by the visiting industrial and commercial delegation of Amsterdam.

Experts from the industrial and commercial circle from the Western European country elaborated the legislation, taxation, financing and sales concerning setting up companies in the Netherlands and the investment environment, which aroused great interests of their Beijing counterparts present at the symposium.

Beijing experts believe that Netherlands is an important gateway for the Chinese investors to enter the European market.

The Western European market accounts for 60 percent of the export volume of Beijing, with last year's figure topping 1 billion U.S. dollars, Beijing trade officials disclosed.

The European Union is also the fifth largest investor in Beijing. A total of 289 enterprises involving 520 million U.S. dollars of direct investment have been established in the Chinese capital.

Portuguese Supreme Court Delegation Arrives

Meets NPC Vice Chairman

*OW3110095094 Beijing XINHUA in English 0917
GMT 31 Oct 94*

[FBIS Transcribed Text] Beijing, October 31 (XINHUA)—Wang Hanbin, vice-chairman of the Standing Committee of the National People's Congress (NPC), met here today with Joaquim de Carvalho, president of the Portuguese Supreme Court of Justice, and his party.

During the meeting at the Great Hall of the People, Wang and the visitors exchanged views on the enhancement of bilateral friendship and cooperation.

The eight-member delegation from the Portuguese Supreme Court of Justice arrived here last Saturday as guests of the Supreme People's Court of China on a one-week visit to Beijing, Shanghai and Guangzhou Cities.

Meets People's Court Head

*OW3010130494 Beijing XINHUA in English 1257
GMT 30 Oct 94*

[FBIS Transcribed Text] Beijing, October 30 (XINHUA)—Ren Jianxin, president of China's Supreme People's Court, met with and hosted a banquet in honor of Joaquim de Carvalho, president of Portuguese Supreme Court of Justice, and his party here this evening.

Ren said the friendly relations and cooperation in political, economic, cultural and other fields between China

and Portugal have been growing continuously since the establishment of diplomatic ties, particularly since the 1980's.

He said the current visit of Carvalho marks the further strengthening of cooperation between the two countries in judicial area.

Ren said China is now focusing on building a socialist market economy and China needs to improve its legal system, particularly economic laws.

In the areas of legislation and justice, Ren said, China needs to sum up its own experience while learning from the experience of other countries including Portugal.

Carvalho said Portugal and China, though far apart geographically from each other, have been helping and supporting each other. He added that the difference in the two countries' judicial systems should not obstruct the exchanges and cooperation between the two countries in this field.

Gao Changli, vice-president of the Supreme People's Court, was present at the meeting.

Carvalho and his party, who arrived here yesterday, are on a week-long visit to China as guests of the Supreme People's Court. They are also scheduled to tour Shanghai and Guangzhou.

East Europe

Bosnian Serbs To Shell Targets If Attacked

*OW2910071694 Beijing XINHUA in English 0638
GMT 29 Oct 94*

[FBIS Transcribed Text] Belgrade, October 28 (XINHUA)—Bosnian Serb General Dragomir Milosevic today ordered his troops to shell "selected targets" if attacked by Muslim troops after reporting to the UN peacekeeping force.

Meanwhile, he ordered the army never to open fire first or take revenge on no ground.

According to the general, more and more Serb soldiers have been killed this month, with 21 shot dead on October 6, another nine killed and nine wounded 16 days later.

Commenting on the order, commander of UN peacekeepers in Bosnia Michael Rose said any serious Serb bombardment of Sarajevo, which is under the protection of UN peacekeepers, might trigger NATO attacks.

Rose's comment came after the UN peacekeepers and NATO reached an agreement on strengthening air strikes in the area aimed to force Bosnian Serbs to accept the UN peace plan.

The NATO ambassadors on Friday [28 October] endorsed the agreement that calls for a quicker response to requests for air strikes and allows NATO pilots a choice of targets.

However, the final decision of air strikes must be made by the UN peacekeeping force according to the agreement.

Bulgaria, Ministry Sign TV Cooperation Agreement

OW3010072894 Beijing XINHUA in English 0655
GMT 30 Oct 94

[FBIS Transcribed Text] Blagoyevgrad, Bulgaria, October 29 (XINHUA)—A television cooperation agreement was signed here today between the Chinese Ministry of Radio, Film and Television and the Bulgarian State Television Station.

Under the agreement, both sides will exchange TV programs on education, science and technology, music, dance and young people.

In addition, both sides will exchange TV crews and promote participation in each other's TV festivals.

Latin America & Caribbean

Bolivian Defense Minister Confers With Leaders

Meets Chi Haotian

OW2810123294 Beijing XINHUA in English 1125
GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (XINHUA)—Chinese State Councillor and Minister of National Defense Chi Haotian met with visiting

Bolivian Defense Minister Raul Tovar Pierola and his party here this evening, and they conferred on issues of common concern.

The three-member Bolivian delegation are here as Chi's guests, and they are expected to visit Xian and Shanghai.

Meets Zhang Zhen

OW2910043794 Beijing XINHUA in English 0415
GMT 29 Oct 94

[FBIS Transcribed Text] Beijing, October 29 (XINHUA)—Zhang Zhen, vice-chairman of China's Central Military Commission, met with Raul Tovar Pierola, minister of national defence of Bolivia, and his party here this morning.

Extending a warm welcome, Zhang said that China and Bolivia enjoy good relations, and that the two countries should further expand bilateral cooperation of mutual benefit.

Peace and development remain the major tasks facing the world today, Zhang noted, adding that China needs peace and that the main task of its military forces is to safeguard national defence and support modernization. Zhang expressed appreciation for Bolivia's adhering to the "one China" position.

Tovar stressed that Bolivia sticks to its "one China" policy, and recognizes only the People's Republic of China.

Also, he said that the cooperation between the armed forces of the two countries has been developing "really well".

Chi Haotian, Chinese state councillor and minister of national defence, attended the meeting.

Tovar and his party arrived here October 27 as Chi's guests. After Beijing, they are scheduled to tour Xian and Shanghai.

Political & Social**Jiang on Building Grass-Roots Organizations****XINHUA Domestic Version**

OW2910133194 Beijing XINHUA Domestic Service in Chinese 1010 GMT 29 Oct 94

[Text of Jiang Zemin 29 October speech delivered at a meeting with all comrades attending the National Work Conference on Building Grass-roots Organizations in Rural Areas"]

[FBIS Translated Text] Beijing, 29 Oct (XINHUA)—Hello, Comrades!

The National Work Conference on Building Rural Grass-Roots Organizations, held by the party central committee, is an important meeting for implementing the "Decision" of the Fourth Plenary Session of the 14th CPC Central Committee. The meeting bears strategic significance for promoting the building of rural grass-roots organizations, rural reform, development, and stability. I completely agree with the report delivered by Comrade [Hu] Jintao on behalf of the party central committee.

The overall situation of our grass-roots party organizations is good. The vast number of rural party members and grass-roots cadres have earnestly implemented the party's line and policies. They are not afraid of hardships and have made tremendous contributions through their industrious work. On behalf of the party central committee, I extend my sincere greetings and hope that you comrades will start new undertakings and make new contributions.

Issues on agriculture, rural areas, and peasants concern the overall situation of reform, opening up, and undertakings in socialist modernization; the consolidation of the party's ruling position; and the country's long lasting peace. This is not only a major economic issue, but also a major political issue. The party central committee has repeatedly stressed that the entire party must attach great importance to agriculture and work in the rural areas. The party central committee as well as local party committees and governments at all levels must give top priority to agriculture and rural work in economic undertakings, and ensure that rural economic development and overall social progress will be lifted up to a new level. The country will be stable when there is stability in the rural areas, and prosperous and strong when agriculture is developed and the peasants are well-off. To uphold economic construction as the center, it is first necessary to strive to lay down a good foundation in agriculture. To uphold reform, opening up, and the four cardinal principles, it is also necessary to effectively implement tasks that concern the vast rural areas.

To accomplish the party's historical tasks in the rural areas in the new era, we must effectively build up the over 800,000 rural grass-roots party organizations in

stages and in groups. The crux of this task lies in doing a good job in building rural grass-roots party organizations and in bringing into full play their core leading role in uniting 900 million peasants closely around the party to form a strong cohesive force for building new socialist rural areas.

XINHUA English Version

OW2910144994 Beijing XINHUA in English 1429 GMT 29 Oct 94

[FBIS Transcribed Text] Beijing, October 29 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin today called for greater efforts to step up the building of the rural grassroot organizations in a bid to boost the rural economic development.

Jiang made the remark during a meeting with the participants at a four-day national work conference on building of the rural grassroots organizations which closed here today.

He stressed that it is of strategic importance to the rural reform, development and stability to step up the building of the rural grassroots organizations.

Jiang hailed the great achievements the party members and leading cadres in the rural areas have been made in implementing the party's basic line and policies over the past 15 years.

He said that the issues concerning agriculture, rural work and farmers have great impact on the overall situation in China's reform, opening-up and socialist modernization program, on consolidating the position of the Communist Party as a party in power and on the long-term stability of the nation.

This is not only a major economic issue but also an important political issue, he noted.

As a result, he added, close attention should be paid to the country's agriculture and rural work and top priority given to rural economic development.

Efforts should be redoubled to enhance the building of more than 800,000 rural basic organizations, the grass-roots party organizations in particular.

Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huqing, Hu Jintao and other senior party and government officials of all levels also attended today's meeting.

Jiang Receives Meeting Attendees

OW3010104294 Beijing XINHUA Domestic Service in Chinese 1301 GMT 29 Oct 94

[FBIS Translated Text] Beijing, 29 Oct (XINHUA)—At 0300 [0600 GMT] this afternoon, Jiang Zemin, general secretary of the CPC Central Committee; and Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huqing, and Hu Jintao, members of the CPC Central Committee Political Bureau Standing Committee, met with comrades

attending the National Work Conference on Building Rural Grass-Roots Organizations. Also present were Wu Bangguo, Jiang Chunyun, Wei Jianxing, Wen Jiabao, Ren Jianxin, Song Jian, Li Guixian, and Chen Junsheng. Following a photo session for the central leaders and participating comrades, General Secretary Jiang Zemin gave an important speech.

Jiang Zemin emphatically pointed out: Agricultural, rural area, and peasant issues have a bearing on the overall situation of reform, opening up, and socialist modernization; on the consolidation of the party's ruling position; and on the country's lasting peace and stability. It is not only a major economic issue but also a major political issue. When rural areas are stable, there will be stability across the land. The entire country can enjoy prosperity only when agriculture develops and peasants become well-off. Jiang Zemin asked all party committees and governments—from the central down to local levels—to make sure that agriculture and rural work are placed at the top of economic work and that rural economic development and overall social progress are lifted to a new level.

In his speech, Jiang Zemin said: To accomplish the party's historical tasks in the rural areas in the new period, we must build up the over 800,000 rural grass-roots organizations in stages and in groups. The crux of this task lies in doing a good job in building rural grass-roots party organizations and in bringing into full play their core and leading role. Jiang Zemin fully affirmed the industrious work of grass-roots organizations and vast numbers of party members and cadres in rural areas. He ardently urged them to start new undertakings and make new contributions.

Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the Secretariat, summed up the meeting.

The National Work Conference on Building Rural Grass-Roots Organizations, opened by the party Central Committee on 26 October, ended today after four days in session. Attending the conference were party secretaries or governors from various provinces, regions, and municipalities directly under the central government; deputy secretaries or vice governors in charge of the work; people in charge of organization, civil affairs, or rural work departments; people in charge of some provincial Communist Youth League committees and women's federations; people in charge of some prefectural and county party committees and grass-roots party organizations; and comrades in charge of central party and state organs departments concerned.

Jiang Zemin Inscribes Name for University

HK3110112694 Beijing ZHONGGUO XINWEN SHE
in Chinese 1156 GMT 15 Oct 94

[By reporter Chen Shan (7115 3790): "Jiang Zemin Inscribes Name for Jimei University"]

[FBIS Translated Text] Fuzhou, 15 Oct (ZHONGGUO XINWEN SHE)—While Fujian Province is making preparations for activities marking Mr Chen Jiageng's [7115 0857 1649] 120th birthday, CPC General Secretary Jiang Zemin has inscribed the school name for Jimei University, which is to open soon.

Recently, the State Education Commission agreed to set up Jimei University by incorporating several institutes founded by Chen Jiageng during his lifetime, including Jimei College of Navigation, Xiamen College of Aquaculture, Fujian College of Sports, Jimei Higher Institute of Finance and Economics, and Jimei Higher Normal Institute. The university is to be jointly founded by the Fujian Provincial Government, the Ministry of Communications, the Ministry of Agriculture, and the Xiamen City Government.

From 1913 on, Chen Jiageng successively founded in Jimei, his hometown, 118 schools of various types, including Jimei School and Xiamen University, and established an integrated educational system comprising elementary education, social education, and higher education.

According to the Fujian Provincial Government, Jimei University will become an open-style university with international characteristics which, by orienting itself to domestic and overseas situations as well as to the next century, aims at training modernized and practical qualified personnel.

'Anecdotes' on Jiang Zemin's Wife

HK3110091594 Hong Kong CHING PAO in Chinese
No 10, 5 Oct 94 pp 58-59

[“Special article” by Wu Tao (0702 7290): “Some Anecdotes About China’s First Lady Wang Yeping”]

[FBIS Translated Text] Since taking the office of general secretary of the CPC Central Committee and the office of state president, Jiang Zemin toured foreign countries for the first time with his wife Wang Yeping [3769 0396 0988] when he traveled to Russia, Ukraine, and France. This is the second time in Chinese Communist history that the supreme leader [zuigao lingdaoren 2584 7559 7325 1418 0086] toured foreign countries with his wife. (Note: Former state president Li Xiannian often toured foreign countries with wife Lin Jiamei, but when he served as state president he was only a Political Bureau member and was not “supreme state leader”; therefore Jiang Zemin is the first supreme state leader since Liu Shaoqi to take his wife to visit foreign countries.) Before the Cultural Revolution, state president Liu Shaoqi was the first Chinese Communist leader [zhong gong 0022 0364 lingdaoren] to visit foreign countries with his wife, and for this reason, during the Cultural Revolution, Liu Shaoqi and his wife were condemned and humiliated, and under the covert guidance of Mao Zedong's wife Jiang Qing, the “rebel clique” made a special effort to “grab and criticize” Wang Guangmei, sparing no effort

to trample on her personality. Today, Jiang Zemin's being accompanied by his wife on his visit to foreign countries is naturally reminiscent of the misfortunes of Liu Shaoqi and his wife Wang Guangmei. It also has drawn attention to Jiang Zemin's wife Wang Yeping, who has for the first time appeared on a public occasion.

Introverted Disposition, Lenient Personality

Wang Yeping was married to Jiang Zemin in the early 1950's in Jilin Province's Changchun City. After the wedding, Jiang Zemin was sent to the Soviet Union to study machinery manufacturing, and Wang Yeping entered Changchun Institute of Optical, Mechanical, and Electrical Studies, which is under the Chinese Academy of Sciences. She devoted herself to technological research for a long time after that. After graduating in the Soviet Union, Jiang Zemin was assigned to work in Shanghai; Wang Yeping followed him to Shanghai and went to work at a scientific research organization. Both Wang Yeping and Jiang Zemin are Yangzhou people from Jiangsu Province, and they are related in terms of kinship because she is the niece of Jiang Zemin's step-mother. According to acquaintances, Wang Yeping's personality and interests are different from Jiang Zemin's. He has a wide range of interests, is clever and open-minded, has organizational ability, and likes to show off, whereas Wang Yeping is introverted, lenient, kind, and hospitable. She is persistent and serious when doing things, often keeps quiet, leads a plain life, wears ordinary clothing, and does not use cosmetics. She and Jiang Zemin have two sons, both of whom studied science and engineering and went to the United States to further their studies after graduating from universities in China; they are now working in Canada. The sons have been influenced more by their mother, and stay away from politics. Allegedly, after Jiang Zemin entered the CPC's upper political echelon, Wang Yeping said to her two sons: "The one in our family who pursues politics has reached the top; you must depend on yourselves, stay away from politics, and make an honest living pursuing technology." Here we can see some characteristics of Wang Yeping's personality.

Once Persuading Husband Not To Take Office

Wang Yeping has very good relations with Jiang Zemin, but she has never interfered or participated in her husband's business. After the "4 June" storm in Beijing in 1989, Jiang Zemin "received instructions at a time of difficulties and dangers," and unexpectedly assumed the office of general secretary of the CPC Central Committee. This was never imagined by Jiang Zemin and Wang Yeping. When Jiang Zemin left Shanghai for Beijing to take office, Wang Yeping was very worried about her husband's political future and fate. She thought that it was a grim mission for Jiang Zemin to shoulder such a heavy political burden at that moment, and that if he could not do a good job, the country would suffer misfortunes, he himself would suffer disasters, and the whole family would experience much trouble. She

quietly wept and tried to persuade Jiang Zemin not to take the post of general secretary. After arriving in Beijing, Jiang Zemin went to see the political old men such as Deng Xiaoping, Chen Yun, and Li Xiannian, and explained that he himself "lacked the ability for the job, and I am afraid I am not worthy of the great duty entrusted by the party." Deng Xiaoping said to Jiang Zemin: "We all support you, and this is also the consensus among various quarters; we will help you whatever the difficulty; you do not have to worry." Then Deng Xiaoping said to the Political Bureau and its Standing Committee: "With Comrade Jiang Zemin as the core," "do not form small cliques, but properly unite." Soon after, he handed over to Jiang Zemin his last position—chairman of the CPC Central Military Commission. All these were steps and measures to boost Jiang Zemin's confidence, allay his worries, and lay a smooth road for him. In 1990, more than a year after Jiang Zemin took over as general secretary, Wang Yeping moved to Beijing from Shanghai to live with her husband.

Physically Weak, Frequently Ill, and Not Carrying Out Activities Conveniently

Wang Yeping is physically weak and frequently ill. In particular, the illness in her cervical vertebra makes it inconvenient for her to carry out activities. Because she does not feel well, she cannot participate in many of her husband's diplomatic activities which, according to diplomatic protocol, require the husband to be accompanied by his wife; but Wang Yeping does not mind or bother to think about it.

In recent years, the number of occasions on which Premier Li Peng has brought his wife to tour foreign countries, meet foreign guests, and participate in various activities has been on the rise. The explanation by a relevant person in the General Office of the CPC Central Committee is that Li Peng has heart disease and his wife can always look after him if she is around. This is an acceptable explanation. According to someone who knows the situation at the senior level, Premier Li Peng also feels that the opportunities for him to appear with his wife exceed those available to other leaders, and that this is not very appropriate, so he has suggested to other leaders that they should also turn up with their wives on proper occasions and when chances arise. As a result, when National People's Congress Chairman Qiao Shi went abroad this year, he for the first time brought his wife, whom he had just married, and Jiang Zemin for the first time brought his wife on his current trip. On the eve of Jiang Zemin's trip to foreign countries, the CPC informed various central news organizations in the form of an "internal transmission" that they should "properly report on the relevant activities by Comrade Jiang Zemin's wife during the visit abroad."

Though Retired, Remember Science and Technology

Wang Yeping and Jiang Zemin are both 68 years old. According to relevant mainland regulations, women at

this age should be retired; therefore, Wang Yeping does not have a post or job in Beijing. However, because she has professional knowledge and is still very keen on the technological research work in which she has been engaged for a long time, and because she cares for the development of China's scientific and technological undertakings, some of her old friends and colleagues in the scientific and technological fields often reflect to the senior level of the CPC, through her, some problems concerning scientific and technological development on the mainland. She also uses these opportunities to provide Jiang Zemin with some information on scientific and technological developments at home and abroad. However, Wang Yeping feels that it is a "burden" to accompany her husband in diplomatic affairs because, she says, her health is not good and her "strength falls short of her will," and because "appearing in the lime-light" does not accord with her personality. She likes peaceful and quiet days. "Being useful when one is old" and doing several down-to-earth things is her expectation. 9 September 1994

QINGHAI RIBAO Profiles Trade Minister Wu Yi

HK2810120794 Xining QINGHAI RIBAO (Weekend Edition) in Chinese 7 Oct 94 p 8

[Article excerpted by Zhao Xijin (6392 0823 0093) from SICHUAN QINGNIAN BAO: "Wu Yi—Wonderful Woman in China's Political Arena"]

[FBIS Translated Text] The political arena at the senior level has always been Adam's world, but when Wu Yi, a bare-handed Chinese woman with no special connections, became a rising star in this masculine world by relying on her extraordinary ability and work merit, she immediately looked as if she shone with dazzling splendor and drew attention from millions of people.

Serving as China's minister of foreign trade and economic cooperation, the upsurge of her political prestige in the international community has been even more rapid than inside the country, and she has already been recognized by Western countries as a "formidable negotiating counterpart." Carla Hills, the former U.S. Trade Representative, and Mickey Kantor, the current U.S. Trade Representative, have all spoken of her highly, saying that she is a "firm defender of her country's interests on the one hand, and, on the other hand, a tough negotiator."

In the famous Sino-U.S. negotiations on intellectual property rights, the Americans thought they could speak arrogantly because they were rich, so they made an unfriendly remark at the beginning: "We are negotiating with thieves." Wu Yi immediately gave tit for tat: "We are negotiating with robbers. Look at the exhibits in your museums and see how many have been robbed from China!" The Americans were taught a lesson by this frank remark, and they knew how to deal with the Chinese from then on.

Although Wu Yi has only entered international trade negotiation circles for a short period of three years, she has already shown her own unique style, which is markedly different from the sloppy work style of some officials in the past. Wu Yi does not stall with official jargon nor go round in circles; she speaks very frankly to ram home the point. She is most skillful in straightforwardly raising issues which the other side does not want to hear but which must be clearly discussed. This blunt style has often scared foreign leaders waiting to meet Wu Yi but who have never met her before. They do not expect that after the meeting they find this female Chinese minister to be someone who is graceful and charming, who dresses elegantly, who is always cheerful and humorous, and who understands what others want. Only during heated debates at the negotiating table, when someone pursues hegemony, or when China's interests are hurt, will she smite the table and rise to her feet. No wonder many foreign negotiators have sighed and said: "Not only must we import Chinese goods, but we must also import a minister like Madam Wu."

When words such as ability and power are linked to a woman, people are always curious. What kind of life experience does Wu Yi have? She was born in Wuhan in 1938, and both of her parents were intellectuals; she spent her early years in a poor family and a rich world of books. In the early 1960's she graduated from Beijing Petroleum College, but she was different from the others when she chose jobs, because she wanted to break into a man's world—thus, she worked for 20 years in the wilderness, in ditches, and the countryside. During that period, she served as technician, an engineer, and as a deputy general manager. In early 1988, during the election campaign for the office of vice mayor of Beijing, she was elected with over 50 percent of votes, hence embarking upon the road to the political arena.

Once, a famous woman said: "It is difficult to be a woman, it is even more difficult to be a famous woman, and it is most difficult to be a famous unmarried woman."

Wu Yi is still single, but she has never adopted a sentimental pose; she is very happy, and she has the kind of happiness that comes from her rich inner resources, which include confidence in herself and her career. She loves life and her motherland, and this kind of love makes her radiate with a strong human touch. She has a wide range of interests, such as tennis, golf, and bowling, and she is a good singer and an absolutely first-class karaoke performer. She also likes fishing, and in several fishing competitions she has beaten men to become the champion.

Wu Yi is a happy single woman, but there have been stories about why she has not married. In fact, she sincerely answered this question: "I am not a person who believes in celibacy, just life has not given me this chance."

Li Tieying Addresses Symposium on Reform

OW3010044094 Beijing XINHUA Domestic Service in Chinese 1700 GMT 29 Oct 94

[By RENMIN RIBAO reporter Wang Qingxian (3769 3237 2009) and XINHUA reporter Chu Baoping (2806 0202 1627)]

[FBIS Translated Text] Beijing, 29 Oct (XINHUA)—A symposium sponsored jointly by the Development Research Center of the State Council, the State Commission for Restructuring Economy, and the State Economic and Trade Commission on the reform and development of China's enterprises opened in Beijing today. State Councillor Li Tieying spoke at the symposium.

Li Tieying encouraged entrepreneurs, theorists, and concerned departments of the state to take part in joint research and to explore effective ways for establishing a modern enterprise system. He pointed out that reform of state-owned enterprises involves both practical and theoretical issues, and that, after deciding plans of enterprise reform, the most important thing is to put those plans into practice. He said that entrepreneurs are the ones who will put reform plans into practice, and that governments at various levels must change their functions and actively support and encourage entrepreneurs and the broad masses of staff members and workers to explore and create new things.

The symposium has received some 100 theses, of which the majority were written by plant directors and managers working on the frontline of production. The participants in the symposium penetratingly analyzed and studied issues on how to further improve the operation of state-owned enterprises, the problems and policies for establishing a modern enterprise system, ways for carrying out reform in state-owned enterprises, how to borrow the successful experiences of foreign countries in improving the operational system and promoting development of enterprises, and how to cultivate entrepreneurs who can suit the needs of a socialist market economy. After the meeting, the symposium will publish a book based on those discussions, entitled *Collected Works on the Reform and Development of China's Enterprises*.

More than 500 people, including directors and managers of backbone state-owned large and medium-sized enterprises, experts and scholars in the capital, and leading persons of various concerned government departments attended the symposium.

Hu Jintao, Jiang Chunyun Visit Exhibition

OW3010002194 Beijing XINHUA Domestic Service in Chinese 1547 GMT 28 Oct 94

[By RENMIN RIBAO reporter Li Jianxing (2621 1696 5281) and XINHUA reporters Jiao Ran (3542 3544) and Ding Jianming (0002 1017 6900)]

[FBIS Translated Excerpt] Beijing, 28 Oct (XINHUA)—Hu Jintao, member of the Standing Committee of the Political Bureau of the CPC Central Committee, Jiang Chunyun, member of the Political Bureau and Secretariat of the CPC Central Committee, and other leaders happily visited the exhibition on the achievements of the Fund for Aiding Economically Underdeveloped Areas held at the Nationality Palace in Beijing this evening. They fully affirmed the great achievements that have been scored in the 15 years since the fund was inaugurated. [passage omitted]

According to a briefing by a Financial Ministry official, from 1980 to 1994, the development fund allocated 16.14 billion yuan to help 1,410 counties and 9,876 village and township enterprises. Most of the funds were used on developing rural production and construction. [passage omitted]

Also visiting the exhibition today were leading comrades including Song Ping, Qin Jiwei, Buhe, Li Guixian, Chen Junsheng, and Peng Peiyun.

Liu Huqing, Zhang Zhen Meet Athletes

OW2810135094 Beijing XINHUA Domestic Service in Chinese 1039 GMT 21 Oct 94

[By reporter Luo Yuwen (5012 3768 2429)]

[FBIS Translated Text] Beijing, 21 Oct (XINHUA)—Central Military Commission [CMC] Vice Chairmen Liu Huqing and Zhang Zhen today had a cordial meeting with athletes, coaches, and judges from People's Liberation Army [PLA] and Armed Police units who took part in the 12th Asian Games, encouraging them to bring into further play the Army's fine tradition, to earnestly summarize experiences, and to set high-standard self-discipline in order to contribute more to turning China into a sports power in the world as soon as possible.

On behalf of the CMC and the three PLA General Departments, Liu Huqing and Zhang Zhen extended warm congratulations to the PLA and Armed Police athletes for their outstanding performances at the Asian Games. Liu Huqing said: The brilliant achievements by PLA and Armed Police athletes at the recent Asian Games were the results of their assiduous training over a long time. Their outstanding performances fully manifest the Army athletes' spirit of patriotism, collectivism, and revolutionary heroism. Their spirit is not only a source of strength for scaling new heights in the global sports arena, but also the powerful motive force for strengthening all-round Army building and enhancing troop combat capability. Therefore, all Army commanders and fighters should learn from the athletes and strive to turn out first-rate performances at each one's post.

Liu Huqing said: The Army has a brilliant history and glorious tradition of sports undertakings. The new situation has posed a new challenge and set new requirements for the Army's competitive sports undertakings.

Therefore, all Army sportsmen should remain sober-minded, and realize their shortcomings and deficiencies despite the successes. They should build up the ranks of Army athletes qualitatively and quantitatively in line with Comrade Jiang Zemin's requirements for "political qualification, competent military skills, fine work style, strict discipline, and effective logistic support."

In his speech, Zhang Zhen also encouraged the Army sportsmen and coaches to redouble efforts to score even greater achievements.

At the 12th Asian Games, 51 PLA and Armed Police athletes, coaches, and judges won a total of 26 gold medals, successfully finishing all competitions, and contributing their share to China's predominance in the gold medal count.

CMC members Zhang Wannian, Yu Yongbo, and Fu Quanyou; as well as senior officials of the three PLA General Departments and the State Physical Culture and Sports Commission were present at the meeting.

Li Tieying Calls on Film Pioneer Xia Yan

OW3010141094 Beijing XINHUA in English 1401
GMT 30 Oct 94

[FBIS Transcribed Text] Beijing, October 30 (XINHUA)—Li Tieying, member of the Political Bureau of the Central Committee of the Communist Party of China (CPC) and State Councilor, called on Xia Yan, a famous playwright and one of China's film pioneers, today at Beijing hospital.

The visit came after the State Council's decision to confer Xia, who turns 95 this year, the title of "National Outstanding Film Artist."

Li congratulated Xia on his 65th anniversary of his career in film industry on behalf of the CPC Central Committee and the State Council. He also conveyed him the best regards of Jiang Zemin, general secretary of the CPC Central Committee and chairman of the People's Republic and Li Peng, premier of the State Council.

Xia Yan has dedicated his entire life to China's cultural and film industry, Li said, while praising him as the pioneer and forerunner of China's film industry.

The outstanding contribution Xia has made to the development of China's culture and film industry will be a model for the latter generation to follow along with his dedication and sacrifice, he said.

Xia thanked friends from different walks of life for their visits. He expressed his wishes to contribute the rest of his life to the Chinese nation, the people and his ideals.

Li Lanqing Speaks at Anniversary of Educator

OW3010002094 Beijing XINHUA Domestic Service in Chinese 0908 GMT 28 Oct 94

[By Jia Fenyong (6328 1164 0516)]

[FBIS Translated Text] Beijing, 28 Oct (XINHUA)—The National Committee of the Chinese People's Political Consultative Conference [CPPCC] and the Central Committee of the China Association for Promoting Democracy held a forum in Beijing today to commemorate the 100th birth anniversary of Mr. Ye Shengtao and to cherish the memory of this renowned educator, writer, publisher, and social activist. Li Lanqing, member of the CPC Central Committee Political Bureau and vice premier of the State Council, spoke at the forum.

In his speech, Li Lanqing said: As an outstanding educator, writer, editor, publisher, and social activist, Mr. Ye Shengtao made important contributions during the periods of new democratic revolution and socialist construction. He was a close friend of the CPC. He cherished the party and the socialist motherland, served the people wholeheartedly, adhered to truth, and made selfless sacrifices. His brilliant life was permeated by this noble spirit. He served as an example for China's intellectuals and was a person of virtue whose exemplary deeds will remain forever.

Li Lanqing said: At present, we are conscientiously implementing the "Outline of Educational Reform and Development in China" and the guidelines of the national conference on educational work. Looking toward the 21st century, we are accelerating the reform and development of education. In commemorating the 100th anniversary of his birth today, we should conscientiously learn from his advanced educational ideas and practice so as to promote the reform and development of our socialist educational undertaking.

Comrades Sun Qimeng, Lei Jieqiong, and Wang Zhaoguo also addressed the forum, which was presided over by Comrade Hu Sheng. Attending today's forum were more than 200 people, including members of the CPPCC National Committee from the educational, literary, and publishing circles; noted figures from various circles; and relatives and friends of the late Mr. Ye Shengtao.

Judicial Reform Enters 'Crucial Stage'

OW3110084994 Beijing XINHUA in English 0808
GMT 31 Oct 94

[FBIS Transcribed Text] Beijing, October 31 (XINHUA)—China's judicial reforms "have entered a crucial stage, a stage marked by effort to bring the lawyer, notary and prison management systems in line with international practices," said Minister of Justice Xiao Yang today.

In an exclusive interview with XINHUA, the minister disclosed that China has signed agreements on judicial cooperation with 17 countries, including agreements on extradition.

"Such cooperation will expand," he said. "In transforming its own judicial system, China will, by proceeding from its own conditions, learn from foreign countries their useful experiences."

Under the planned economy, lawyers are government functionaries and, as such, are on the public payroll. As China strives to build up a market economy, 600 of China's 5,900 law offices are now financially independent, operating as non-governmental, self-disciplined entities.

"This is a good beginning," Xiao said. "It means that an important step has been taken to make China's lawyer system suit international conventions."

The minister said that China currently allows foreign law offices to operate in 13 cities which are either provincial capitals or coastal cities open to foreign investment.

Altogether, 41 foreign law offices are operating in China. "Work in this respect is still on an experimental stage but, before the end of this year, more will get our approval for opening offices in Chinese cities."

Almost all people working in China's notaries remain government cadres as ever. According to Xiao Yang, work is being done to transform some of the notary offices into organizations similar to non-governmental notary associations.

"Such associations will eventually become individually operated notaries as is the practice throughout the world," he added.

While striving to adopt international practices, Xiao said, China's judicial system will retain its national features.

He cited those popular mediation organizations found in almost every village, factory or neighborhood. There are altogether one million such organizations throughout the country, with 10 million "people's mediators."

The "people's mediation committees are unique," he said. "They have helped in the mass education in law and the prevention of crimes by mediating conflicts between local people." Therefore, they will be strengthened.

Xiao Yang also spoke of China's prisons, where 1.24 million people are serving their terms. Every three years, about one million are released from prison.

The Ministry of Justice is pushing what is called the "modern prison system"—a project which in part is designed to help prison inmates learn useful skills so that they can merge with the mainstream of society and serve the country after release.

"Until now, the policy is one of helping prison inmates become law-abiding citizens through education," Xiao said. "We now feel that is not enough. These people should, after release, be truly useful to society."

A set of standards have been set for the title "modern prison". Xiao said, adding that in 1995, the first batch of "modern prisons" will be chosen.

Yang Shangkun Visits Wuyishan City in Fujian

HK3110091294 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 28 Oct 94

[FBIS Translated Excerpt] Last night, almost 10,000 people gathered in Red Square of Wuyishan City to commemorate the city's 1,000th founding anniversary. Comrade Yang Shangkun and provincial leaders including Zhao Xuemin and Huang Wenlin attended this commemoration. Guests from Japan, Singapore, Taiwan, and Hong Kong were also present on invitation.

Wuyishan City was formerly Chongan County, established in the year 994. After the introduction of reform and opening up, the government began to build a key nature conservancy zone, a key scenic area, tourist resorts, and an international airport in this city. The city is also listed in the UN biological protection network.

In 1992, 119 Chinese and foreign companies invested in Wuyishan, with total investments of 4 billion yuan. A large number of industrial centers, commercial plazas, and entertainment establishments with international standards are still under construction. The city has become an investment favorite of Chinese and foreign companies. [passage omitted]

Gu Jinchi on Training Successors

HK3110080294 Beijing RENMIN RIBAO in Chinese 21 Oct 94 p 5

[“Seriously Study and Implement the Decision of the Fourth Plenary Session of the Party” column article by (CPC Central Committee member and secretary of Liaoning Provincial CPC Committee) Gu Jinchi (7357 6855 3069); “Bringing Up Leaders Who Transcend the Century”]

[FBIS Translated Text] Building socialism with Chinese characteristics and attaining socialist modernization is a great cause led by our party which transcends the century. In the practice of reform, opening up, and socialist modernization, our party established the basic line of "one center, two basic points." Practice has proved that a correct line can only be ensured with a correct organizational line. Comrade Mao Zedong pointed out: "Once the political line is determined, the cadre is the decisive factor." It is an important and pressing strategic task of our party to comprehensively improve the qualities of the available cadres, pay particular attention to training and selecting outstanding young cadres, and strive to bring up large numbers of leaders who will transcend the century and who are capable of assuming heavy responsibilities.

The key to training and selecting leaders who will transcend the century lies in comprehensively and correctly implementing the "four haves" [more revolutionary, younger in average age, better educated, and professionally more competent] for the ranks of leading cadres and the principle of having both ability and political integrity.

in connection with the new historical conditions. In light of the requirements of the "Decision" and in line with the practical experience of Liaoning Province, special attention must be paid to revolving the following three issues:

First, while judging a leading cadre, it is necessary to look at his work achievements. Our cause needs leading cadres who have both ability and political integrity. To judge a leading cadre's ability and political integrity, we should mainly look at his achievements in implementing the party's basic line. Aimed at the overall situation of the current reform, development, and stability as well as the country's long-term stability in the future, the "Decision" has set strict demands on leading cadres. We should train and select leaders who transcend the century in light of these requirements, which embody the unity of ability and political integrity. A leading cadre's ability and political integrity will be manifested in the achievements of implementing the party's basic line.

The great historic task of building socialism with Chinese characteristics requires our leading cadres to have a firm political belief and to consciously uphold the party's basic theories and basic line. Consciousness and resoluteness in upholding the party's basic line originate in the consciousness and resoluteness in upholding the party's basic theories. Therefore, our leading cadres should above all be loyal to Marxism, study hard Marxism-Leninism-Mao Zedong Thought, the central content being to study the theory of building socialism with Chinese characteristics [zhongxin neirong shi xuexi jianshe you zhongguo tese shehui zhuyi lilun 0022 1800 0355 1369 2508 1331 5045 1696 6080 2589 0022 0948 3676 53314357 2585 0031 5030 3810 6158], and apply this contemporary Chinese Marxism to arm their minds and guide their ideological work. The party's basic theories constitute the foundation of the party's basic line. Only by consciously and resolutely upholding the party's basic theories can we consciously and resolutely uphold the party's basic line. This is the fundamental requirement regarding "political integrity" for leading cadres in the new period.

The great historic task of building socialism with Chinese characteristics requires our leading cadres to have the work ability and professional level to lead reform, opening up, and the modernization program. Reform, opening up, and the socialist modernization program constitute the party's basic practice in the new period. This basic practice is identical with the party's basic theories and basic line. Guided by the party's basic theories and basic line, this basic practice is the starting point as well as cornerstone of the party's basic theories and basic line. In the final analysis, the consciousness and resoluteness of a leading cadre in upholding the party's basic theories and basic line must be embodied in the practical results and achievements in the work of leading reform, opening up, and the modernization program. Whether a leading cadre can adhere to the correct direction, creatively carry out work, and attain

achievements in the course of reform, opening up, and the modernization program is the fundamental requirement regarding "ability" for leading cadres in the new period.

Thus it can be seen that when evaluating a cadre's political integrity and ability, it is necessary to insist on the unity of the two and implement their intrinsic unity in the practice of the party's basic line. Only by knowing well the achievements of leading cadres in implementing the party's basic line can we comprehensively and accurately evaluate their political integrity and ability [de cai shuiping] ; get rid of the outdated concepts of arranging ranks and titles according to seniority, seeking perfection, and accommodation; and enable large numbers of outstanding people to show themselves.

Second, public opinion [shehui gonglun 4357 2585 0361 6158] should be taken note of in selecting leading cadres. A leading cadre's work has a direct effect and exerts great influence on the development of a region, department, or unit. This inevitably gives rise to social evaluation. Generally speaking, the essentials of a cadre can be accorded a fair assessment because the public generally understands and evaluates leading cadres by judging their work, activities, and achievements. By giving attention to public opinion, we can avoid subjectiveness and prejudice, and objectively and comprehensively understand and evaluate a leading cadre. Moreover, it will also have a direct bearing on the image of the party organization that has appointed this leading cadre. Practice has proved that cadres are mistakenly selected and appointed when we ignore public opinion, and this usually produces a negative influence on the party's cause and image.

To take note of public opinion, it is necessary to comprehensively understand the views and opinions expressed by various quarters. At least it is necessary to grasp the understanding and evaluation of the cadres and the masses at the following levels: First, the views and opinions of the masses and subordinates of this cadre. The views and opinions from this field can help us understand the influence and image of the cadre among the masses, how well he has implemented the party's purpose, wholeheartedly served the people, and maintained close ties with the masses; what the methods and style of his leadership are; how well he has aroused the enthusiasm of the cadres and the masses, and how well he can organize leadership. Second, the views and opinions of the cadres at his level, including the views and opinions of his colleagues or the same level leading cadres of other regions, departments, and units. This kind of information can help us know how well he unites with comrades, handles relations, and does his work, and how well he coordinates relationships among various fields, unites in cooperation, and takes the overall situation into account. Third, the views and opinions of this cadre's superior. This type of information can help us know the organizational discipline and overall concept of this cadre, how creatively he implements the spirit of

the higher authorities, and what achievements he has scored in his work. An extensive understanding and comprehensive analysis of public opinion can enable us to make a just appraisal of cadres and provides a reliable basis for appointing cadres. On this basis, we should boldly choose outstanding cadres, the young ones in particular, whom the people generally acknowledge to have adhered to reform and opening up, and have attained achievements. We should place them in essential leading posts and entrust them with important tasks.

Third, a strict system should be upheld in appointing leading cadres. Selecting and appointing leading cadres is an important task which has immediate as well as far-reaching influence and involves the future destiny of our cause. On the question of appointing cadres, it is necessary to have a strict system and to follow scientific procedures and standards. We should also standardize and institutionalize this work. The "Decision" points out: It is necessary to speed up the pace of reform of the appointment system and other systems concerning party and government leading cadres and gradually establish an appointment mechanism that is full of vitality and allows outstanding people to show themselves. This illustrates the great significance of institutional construction. It is a fundamental issue in the appointment of leading cadres to uphold a strict system.

Adhering to the fundamental principle of democratic centralism and following scientific procedures constitute important guarantees for appropriately appointing cadres. Viewed from our experience, the following three links should be noted in the procedures for cadre appointment: First, upholding democratic recommendation, submitting a recommendation list following assessment by the organization department of the party committee, and making a final decision through collective discussions by the party committee's standing committee. The practices of submitting a provisional motion and appointing cadres based on the impressions of a handful of people rather than undergoing an assessment must not be allowed. It is necessary to prevent the practice of any individual leading comrade appointing cadres according to his personal will. Second, the persons responsible for assessing those recommended must fully follow the mass line, extensively listen to the views of all fields, and in particular solicit the opinions of comrades who have made just and fair appraisals of cadres. The purpose is to ensure that the views solicited are comprehensive and objective. Third, it is necessary to fully develop democracy, pool the correct views of the majority, and hold an official meeting to deliberate and adopt the appointment of cadres. Those attending the meeting, no matter who they are, have the right to cast only one vote each. The purpose is to be prudent in appointing cadres and reflect the collective will. Practice has proved that the grasping of these links can effectively ensure the quality of the appointed cadres and avoid mistakes in appointment. Meanwhile, this can also institutionally check unhealthy tendencies in cadre appointment. Abiding by these scientific procedures for a long

time will gradually solve the problem of currying favor and begging for "official posts." Only in this way can we improve the appointment system step by step, develop the appointment mechanism which allows outstanding people to show themselves, and ensure that the party's ranks of cadres will be full of vigor and vitality.

To bring up large numbers of leaders who can undertake heavy responsibilities and who will transcend the century, it is necessary to proceed from a strategic foresight and pay attention to stepping up training and education of young cadres from this very moment. While organizing them to seriously study scientific theories, it is necessary, in light of their own circumstances and characteristics, to intentionally place them in practical posts to temper themselves. A fundamental method is to improve their qualities and ability through modification in practice. As long as the problems of ideological concepts, methods and measures, and regulations and rules are further resolved in earnest, large numbers of leaders transcending the century will emerge, which will offer a reliable organizational guarantee for our great cause which goes beyond the century.

Minister of Culture on Promoting Patriotism

HK3110103994 Beijing RENMIN RIBAO in Chinese
14 Oct 94 p 2

[Report on interview with Minister of Culture Liu Zhongde by unidentified staff reporter; place and date not given: "Play Aloud the Main Theme of Patriotism"]

[FBIS Translated Text] Recently, Comrade Liu Zhongde, the minister of culture, was interviewed by our reporter on the implementation of the Central Committee's "Program for Carrying Out Patriotic Education" in cultural work.

Liu Zhongde first emphasized that the promulgation of the "Program for Carrying Out Patriotic Education" by the CPC Central Committee was an important move of strategic significance that would affect the entire task of building socialism with Chinese characteristics, as well as an important measure for the in-depth development of socialist culture and ethics. The "program" is an important guideline for cultural work at present and in the future. The party organization of the Ministry of Culture has urged cultural cadres at all levels, together with the vast numbers of cultural and art workers, to conscientiously study and publicize the "Program for Carrying Out Patriotic Education." Departments in charge of cultural work at all levels must provide the necessary guarantee in terms of time and policy, supplemented by the necessary inspection and supervision measures.

On the question of concrete measures for the implementation of the "program" by the Ministry of Culture and affiliated organizations, Liu Zhongde said: Specialized art groups and cultural bodies in society must actively promote literary and art work that publicize the spirit of

patriotism. Departments in charge of cultural work at various levels must strengthen guidance over the creation of major plays (programs) in different localities, take the development of the main theme of patriotism as the main content of local creative programs, and strive to produce a number of outstanding works that convey patriotic ideas and have a high artistic level before the end of this year and next year. In conjunction with activities commemorating revolutionary leaders, revolutionary martyrs, and noted patriots, they should promptly organize literary and art works or plays (programs) that reflect the deeds of these revolutionary leaders, martyrs and patriots. In organizing celebrations of the birth centenaries of Mei Lanfang and Zhou Xinfang and the 120th birthday of the founder of "Pingju" opera Cheng Zhaocai, it is necessary to highlight the theme of patriotism as well as the fine traditions of Chinese culture. Departments in charge of culture at various levels must take the organization of celebrations, commemorative activities, and mass cultural and recreational activities as an important task in carrying forward the main theme of patriotism and arousing the patriotic fervor of the masses, as well as incorporating the task into their annual work plans and grasping it well. Various types of museums, memorial halls, youth palaces, clubs, and cultural palaces at various levels are important venues for carrying out patriotic education. In organizing cultural and recreational activities and unfolding their work, they must take patriotic education as the basic content and make entertainment a delightful medium of education. In key cultural projects organized by the Ministry of Culture, such as establishing "culturally advanced counties" and promoting the "Dandelion Program" for juvenile literature and art, it is necessary to take the strengthening of patriotic education and the cultivation of new people with revolutionary ideals, integrity, good education, and a strong sense of discipline as important assessment criteria. In building a "10,000-li corridor of culture along the border," it is necessary to give prominence to the special position and role of patriotic education and closely integrate this with the achievement of cultural and ethical progress. It is necessary to conscientiously grasp libraries as bases for patriotic education and strive to realize the goal of establishing libraries in all counties and townships.

On the question of the cultural market, Liu Zhongde pointed out: It is necessary to rely on diverse means, make patriotism and the outstanding culture of China the main theme of the cultural market, persist in the policy of grasping prosperity on the one hand and management on the other, encourage and support the main theme, promote a range of outstanding spiritual and cultural works, prohibit and eliminate "cultural trash" which harms national dignity and the national spirit, and try to create an atmosphere of patriotism in the cultural market. He said: It is necessary to take the carrying forward of patriotism and the reflection of the fighting history, glorious traditions, and brilliant culture of the Chinese nation as the principal criteria in the

selection of outstanding Chinese audio-visual products by audio-visual production and publishing houses under the Ministry of Culture early next year; take relevant measures to step up publicity, screenings, and sales of award-winning works; and put an end as quickly as possible to the situation where the market is flooded with audio-visual products from overseas. It is necessary to draw up relevant regulations for cleaning up audio-visual works played in commercial music and dance halls and other entertainment outlets in order to ensure the smooth entry of state-endorsed songs from the "Chinese Music Collection" as well as Beijing opera karaoke songs into the cultural market. It is necessary to draw up unified assessment standards for singers and bands and to set down and raise the ratings of outstanding patriotic songs performed by singers and bands so that the patriotic spirit will become the main theme of mass cultural and recreational venues. It is necessary to further strengthen the management of commercial performances and to support and promote concerts of high quality and standards that highlight the theme of patriotism. It is also necessary to adopt effective measures to strengthen management over the auctioning and imports and exports of artistic works, defend the good name of traditional national art such as Chinese painting and calligraphy, and eliminate fake and inferior paintings and calligraphy.

Liu Zhongde also gave his views on the implementation of the "program" by art education and cultural relic units. He stressed the need to take patriotic education as the main content of moral education in art institutions and to help patriotic education permeate teaching activities.

Liu Zhongde pointed out that various types of museums at various levels, including cultural relic protection units already opened to the public, must highlight the main theme of patriotic education in their displays and visits, raise the quality of their services, and provide free access and services to primary and secondary students at fixed times. It is necessary to improve and upgrade facilities at 518 existing patriotic education bases, increase the number of such bases each year, and strive to build a large number of patriotic education bases equipped with advanced facilities, modern display methods, and outstanding professional workers who can conduct excellent mass education work.

Song Ping Urges Wealthy To Assist Poor Regions
*HK3110104994 Beijing RENMIN RIBAO in Chinese
13 Oct 94 p 3*

[Speech by Song Ping at a support-the-poor meeting organized by the Central Committee's Organization Department on 27 June 1994 for officials from rural grass-roots party organizations in economically advanced villages and townships: "Those Who Have Become Rich First Help Those Who Are Not Yet Rich To Attain Common Development"]

[FBIS Translated Text] This meeting called by the Central Committee's Organization Department—where responsible comrades from party organizations in 13 advanced villages and townships in the economically better developed regions will discuss how they, who have become rich first, can give the less fortunate a leg up by helping the economically less developed regions train their personnel—is a very meaningful event.

China has achieved rapid progress in its economic construction since the start of reform and opening up. Comrades attending the present meeting have all come from advanced villages of national repute. The thing in common between these villages is that their party organizations all have strong fighting power and are able to conscientiously implement the party's basic line, principles, and policies in the light of local reality; rely on their own strength to lead the masses in starting their undertakings amid hardship; and positively develop township enterprises and the collective economy while ensuring the steady development of agriculture. They have not only achieved rapid economic development but have done a good job in ensuring ideological and cultural progress. The villages where these comrades come from have all achieved a moderately high standard of living and have built up considerable economic strength. They have all come to the fore and played a leading role in rural reform and development in the country.

What is particularly admirable is that they have not forgotten their neighbors or their obligation to the poor after achieving prosperity. They have maintained various forms of economic cooperation with poor areas and have helped them train cadres and talents. It is understood that since the beginning of this year, Huaxi Village in Jiangsu has trained 100 grass-roots cadres for Shaanxi, Gansu, Ningxia, and Shanxi provinces (regions). After these cadres returned to their respective units, the village leadership visited these units, conducted follow-up checks on them, and discussed with them ways of shaking off poverty. They even plan to select from each of these units 20 middle-aged and young peasants who have reached a given educational standard for a work-study program in Huaxi. These people will be trained into capable hands in achieving prosperity. They hope to help 100,000 people shake off poverty in seven years through this snowballing method. Doudian in Beijing recruited staff and workers from outside in a planned way and gave them training in techniques and management. After training, these people returned to their villages to help develop their local economies. Henan Province trained 5,000 party branch secretaries from poor villages in Liuzhuang, Zhulin, Nanjie Village and Linzhou City. Lu Guanqiu, a peasant entrepreneur and leader of the Wanxiang Group in Zhejiang, drew up a so-called "Westward Thrust Program" for developing township enterprises in the western parts of the province with an investment of 100 million yuan over the next few years. There are other similar examples all over the country. They truly embody the strategic thinking of Comrade Deng Xiaoping about allowing some places to

become rich first, relying on those who have become rich first to help those who are not yet rich, and ultimately achieving common prosperity. They embody the noble communist spirit and reflect the lofty ideological realm of communists. Ours is a large country where conditions vary greatly from place to place and where economic development is very uneven. Although the country as a whole has slowly become better off, only a few places have truly attained a moderate level of prosperity. The majority of places are still quite poor and some 80 million people have not shaken off poverty. To help such a large number of people shake off poverty, we cannot simply rely on the state. Rather, it is necessary to bring into play the superiority of the socialist system and to mobilize all forces in society to make a concerted effort. You comrades are leaders of places that have become rich first, and now you are going to be leaders in helping those who are not yet rich. The importance of this double honor lies not in how much money you give but in the spirit, for this represents the direction of common prosperity.

Comrade Deng Xiaoping pointed out: The essence of socialism is to liberate and develop the productive forces, eliminate exploitation and polarization, and ultimately achieve common prosperity. This is a comprehensive thought that has to be understood in an all-round way. Some comrades have reduced the essence of socialism to just one thing, that is, the development of the productive forces and nothing else. This is not all round. The development of the productive forces is, of course, our fundamental task. The productive forces are the foundation, and nothing can be done if development is separated from the productive forces. Thus, our party takes economic construction as its central task. The whole party has reached consensus on this. Does this mean that there is socialism when the productive forces are developed? No. Many countries in the world have reached a higher level than ours in their development of the productive forces, but we cannot say that they are practicing socialism because their principal means of production are privately owned and their societies are highly polarized. We must concentrate forces on the development of the productive forces. On this basis, we must also strive to achieve common prosperity and avoid polarization. Only in this way can we achieve socialism with Chinese characteristics.

I recently read a report written by a young researcher from the Chinese Academy of Sciences who had returned after some time in the United States. Based on his analysis of statistical figures, he concluded that China is a country with the most diverse natural conditions, population distribution pattern, and economic and social conditions. Not only are there great disparities in economic development between coastal and inland provinces, even within the same province, but there are great disparities between wealthy and poor regions, and the absolute difference will continue to grow. Unless this state of affairs is changed, national economic development, even social stability and national unity, will be

affected in the long run. Many of the poor areas were old revolutionary bases in the past. They have made great sacrifices for the Chinese revolution, and it is the duty of our party to help them become well-off as quickly as possible. The state must formulate the necessary policies to speed up the development of poor areas. At the same time, places that have become rich first have the responsibility to help those that have not yet become rich. This kind of help does not mean that all must develop at the same pace. Neither does this mean that "egalitarianism and indiscriminate transfers of resources" should be practiced. Rather, it means that we should, through personnel exchanges, economic cooperation, and other means, combine the funds, talents, technologies, and advantages of the economically well-developed regions with the labor and resource superiorities of the poor regions and achieve common development through mutual assistance and mutual benefits. The successful experiences introduced by comrades at this meeting show that once problems of understanding have been resolved and people truly pay attention to this issue, many solutions can be worked out.

First, it is necessary to properly sum up and pass on our experience in achieving prosperity, particularly how we should emancipate the mind, seize the opportunity, adopt new concepts, build up confidence, and persist in proceeding from reality and suiting measures to local conditions in seeking prosperity, and how leaders and party members should take the lead in carrying forward the spirit of self-reliance and hard work, rely on the masses, and overcome difficulties. It will be very stimulating to pass on this kind of experience to the poor areas.

Second, it is necessary to help the poor areas in personnel training. Besides conditions pertaining to natural conditions and other factors, a major reason why poor areas are slow in economic development is that they are short of talent. The masses of Shandong have this to say: "Rather than helping us with money and things, why not help us build a good party branch?" This profoundly demonstrates the importance of party branch leadership and talents. Helping poor areas train cadres and talents is what really matters. There are various ways of training talents. For example, comrades from poor areas may be organized to undergo training in advanced areas or given on-the-job training, or personnel may be assigned to inspect poor areas and to pass on their techniques and experiences. Exchanges of cadres between corresponding units may also be organized. Parallel exchanges of cadres between Jiangsu and Shaanxi in recent years have yielded excellent results.

Third, it is necessary to develop diverse forms of economic cooperation. In particular, it is necessary to help the poor areas run township enterprises. Poor areas have resources. They also have labor and markets and are only short of funds and technology. They can work with the advanced areas, and use their own strong points to make up for each other's deficiencies. The development experience of many poor areas shows that running well one or

two backbone enterprises can help bring along economic development in the whole area. This kind of mutual-aid and cooperation not only benefits the poor areas but gives the advanced areas room for further expansion. It is of benefit to both sides.

In helping the poor areas develop, it is necessary to proceed from reality and act according to one's ability. We believe that as long as the whole party pays attention to this task and shows perseverance, the Chinese people will definitely be able to achieve the goal of common prosperity.

Deng's Youngest Daughter Enters Business

HK2910061694 Hong Kong EASTERN EXPRESS in English 29-30 Oct 94 p 10

[By Bruce Gilley]

[FBIS Transcribed Text] The youngest daughter of the senior leader, Deng Xiaoping, has emerged as the latest in the Deng clan to overlook state regulations and "take the plunge" into business. Deng Rong, 44, left the territory yesterday after a whistle-stop visit to promote luxury flats across the border as the chairman of the Shenzhen Huayue Industry Corporation. The company's general manager said that Xiao Rong, as she is known, serves "in a private capacity", holds no shares, and has no duties.

The flats, backed by Bank of China loans and initial sales to the local government, appear a sure winner. Asked whether Xiao Rong's role in the company contravened regulations barring senior cadres from engaging in business, a company spokesman was indignant. "Of course not. Ms Deng is only a delegate to the National People's Congress. She has no other official position."

Since 1985, China has banned the children of senior cadres from abusing their status in pursuit of wealth. A regulation issued in May of that year, recently published in the State Council's Anti-Corruption Handbook, stated that "all sons and daughters of leading cadres... must not use their family connections or influence for themselves or on behalf of others" for commercial gain.

If Xiao Rong performed no duties in the company, reporters asked, why was she chairman? "She does promotion work," came the reply. The use of her calligraphy and image in company promotional literature, as well as videos of her father's tour of southern China in 1992, made as much clear.

Within months of the launch of market reforms by Deng Xiaoping in 1979, the sons and daughters of party cadres—or "princelings" as they are called—plunged into business. By 1985, the Communist Party's central committee was fretting that the princelings were "using their special status and social connections" to engage in rampant profiteering and plundering of state assets. "This behaviour has already aroused the discontent of the masses, seriously injured the dignity of the party, and

damaged the image of the leading cadres themselves," an internal party document of the time, contained in the Anti-Corruption Handbook, said.

In what remains the most egregious example of princeling misconduct, the patriarch's crippled eldest son, Pufang, funnelled donations for the handicapped into a new company, Kang Hua Industrial Corporation, set up with him as chairman in 1984. Within a few years, the company was being investigated by officials for tax evasion, illegal trading and smuggling. After the 1989 Tiananmen Square protests, Kang Hua was exposed and shut down. Pufang might have served as a warning to his siblings, but they appear not to have been affected.

Xiao Rong's husband, He Ping, runs China Poly Group, an arms trader with big property holdings in Shenzhen. Her brother, Zhifang, heads a coterie of Hong Kong and mainland firms. The plump eldest sister of the family litter, Deng Lin, sells her mediocre paintings in Hong Kong for close to a million dollars, while her husband, Wu Jianchang, heads a powerful national foreign trade monopoly in Beijing.

Now that Xiao Rong has "taken the plunge" as well, the 1985 State Council regulation appears to be in tatters. A recent warning by the senior party elder Peng Zhen that "some sons and daughters of senior cadres are corrupt economically and ethically" may be the last shot in a lost battle against the pinstriped princelings.

XINHUA on RENMIN RIBAO Front-Page Editorial

OW3010034894 Beijing XINHUA in English 0315 GMT 30 Oct 94

[FBIS Transcribed Text] Beijing, October 30 (XINHUA)—China's leading newspaper, the PEOPLE'S DAILY [RENMIN RIBAO], said today that the Communist Party branches play a vital role in the strengthening of rural grassroots organizations.

A frontpage editorial of the paper said that the most basic task of rural work is to strengthen the grassroots organizations including township governments—China's lowest level of government, and economic, youth, women and other organizations. In doing the work, it said, the central, provincial and prefectoral authorities have their own responsibilities. But the key role should be played by the county party committees.

Last month a decision on the building of the Communist Party was adopted at the party Central Committee plenum. Following the decision, a four-day national working conference on the subject concluded yesterday in Beijing.

The PEOPLE'S DAILY reveals a three-year plan on strengthening the rural party organizations.

All party members will be organized to study Deng Xiaoping's theory of building socialism with Chinese characteristics and the party constitution, as part of the

efforts to enhance the party discipline and improve members' educational quality.

Also in three years those rural party branches which have been in the state of paralysis will be overhauled, by selecting competent branch secretaries.

Plans To Build Up Grass-Roots Party Organizations

RENMIN RIBAO Editorial

OW2910161894 Beijing XINHUA Domestic Service in Chinese 1325 GMT 29 Oct 94

[RENMIN RIBAO editorial: "Raise To a New Level the Building of Rural Grass-Roots Organizations"]

[FBIS Translated Text] Beijing, 29 Oct (XINHUA)—While all party comrades were seriously studying and implementing the "CPC Central Committee Decision Concerning Some Major Issues on Strengthening Party Building" adopted by the Fourth Plenary Session of the 14th CPC Central Committee, the party Central Committee held a national conference on the building of rural grass-roots organizations. It was a conference to implement the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee, emphasize paying attention to grass-roots organizations and laying a foundation, and promote the implementation of the new great project. It was an important conference to make concentrated research and a specific plan on stepping up the building of rural grass-roots organizations with party organizations at the core. It was an important conference to mobilize the whole party to attach great importance to agriculture, rural areas, and peasant questions; seriously build rural grass-roots organizations well; and strive to raise the work in this regard to a higher level. Serious implementation of the conference guidelines will greatly enhance the cohesion capability and fighting power of rural grass-roots organizations, enable us to unite and lead hundreds of millions of peasants in achieving a relatively comfortable standard of living sooner, and make the socialist new countryside even more prosperous.

Soon after the Fourth Plenary Session of the 14th CPC Central Committee was held, the party Central Committee specially held a meeting to study and plan how to step up the building of rural grass-roots organizations with party organizations at the core. Taken in consideration of the interest of the whole and the overall strategy, that meeting was an important step in promoting the great project of party building in the new period. Agriculture is the foundation of the national economy and the entire socialist modernization program. Peasants constitute the great majority of China's population. The situation of agriculture, rural areas, and peasants has a direct bearing on the general situation of our country's reform, development, and stability. In the last 10 years and more, China's rural areas have undergone profound changes and made great progress, thanks to the hard

work done by the vast number of rural grass-roots organizations, grass-roots cadres, and Communist Party members. At the same time, we should also see that with the development of a socialist market economy, rural grass-roots organizations are facing many new situations, and, to a varying degree, are having some problems adapting to the new situations. If these problems are not seriously resolved, it not only will be difficult to accomplish the party's historic tasks in rural areas in the new period, but also will seriously weaken and even shake the foundation of the party's work in rural areas. All party comrades must thoroughly comprehend the great significance of the Central Committee conference; fully understand the importance and urgency of stepping up the building of rural grass-roots organizations; and study, understand, and implement well the conference guidelines.

In line with the fourth plenary session Decision, the conference further clarified the goals, priorities, and guidelines for building rural grass-roots organizations. The conference specifically set forth the goals of stepping up the building of rural grass-roots organizations: First, build up fine, united, and strong leading bodies that enjoy the support of the masses; particularly, they must have good secretaries. Second, train and bring up a good contingent that is combat effective; Communist Party members should be able to play an exemplary vanguard role; cadres, an exemplary and leading role; and Communist Youth League members, the role of an assistant and reserve force. Third, choose a good path that is suited to accelerating local economic development and speed up the pace in helping the peasants shake off poverty and achieve modest prosperity. Fourth, fine-tune a good managerial system, enhance the vitality of economic development, and guide and help the peasants follow the path of common prosperity. And fifth, establish a good managerial system that embodies the spirit of democratic management and guarantees efficiency in work so that work at the village level will be institutionalized and standardized step by step. These five points are closely integrated; they are an organic whole, a series of goals for stepping up the building of grass-roots organizations in rural areas with the party organization at the core under the new situation. They are positive, clearly defined, and feasible. In light of the requirements of these general goals and after research and investigation, provincial, prefectural, and county levels all should formulate specific goals and work plans for strengthening the building of grass-roots rural organizations and organize efforts to earnestly carry them out.

Comrade Deng Xiaoping pointed out that whether or not we can do our work well, whether or not we can adhere to socialism and persist in reform and opening up, whether or not we can achieve faster economic development, and whether or not the country will enjoy lasting peace and stability—all these depend, in a sense, on men, on running our affairs well within the Communist Party. This is true of the whole country or any given locality, it is also true of the grass-roots level in rural

areas. The key to building rural grass-roots organizations lies in building party organizations that serve as the leadership core of organizations of all descriptions. Practice has shown that where the party branch has a strong body and exercises effective leadership, the other organizations will be able to play their role well and can make quick progress in economic development and all other undertakings. If the party branch does not play its role as the core leadership, the other organizations will have a difficult time playing an active role and will find themselves in a rather passive position in economic development and in work in other areas. This is a very valuable experience.

How can we do a good job in building rural grass-roots party organizations in the new situation? The most important thing we should do is to make implementation of the party's basic line our basic starting point and end result of strengthening this task and to focus closely on the central task of economic construction. In close conjunction with the practice of uniting and guiding the peasants to work for a comfortable standard of living, we must promote development and maintain stability—which constitute the overall interest. To strengthen the building of grass-roots party organizations in an all-round way, we must first focus on the building of leading bodies. From now on, we should work especially hard to do two things during the next three years: First, we should organize systematically and in a planned way all party members to study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party constitution to raise their quality, enhance their party spirit, and make them play the role of models and vanguards. And second, we must focus on key areas and strive to rectify, in a guided and planned way, party branches that have been lax, weak, and paralyzed, and build them into strong branches. In particular, we should do a good job in selecting party branch secretaries. At the same time, we should continue to do well the work regarding advanced party branches and those in the intermediate state, so as to continually improve them.

There are numerous tasks to be done in rural areas, but the fundamental one is paying attention to the building of grass-roots organizations. The Central Committee and provincial, prefectural, and county party committees all bear heavy responsibilities, but the key lies in county party committees. County party committees should lay the emphasis of work and devote the greater part of their energy on rural work, on grass-roots organizations, and on laying the foundation. This conference has clearly defined the county party committees' responsibilities and tasks in strengthening the building of rural grass-roots organizations. County party committee secretaries should first bear responsibility for the building of rural grass-roots organizations in their respective counties. They should personally conduct investigations and studies, make plans and arrangements, and supervise this work. In carrying out the conference's requirements, we should study the new situations, sum up our new experiences, and solve new problems. Henceforth, party

committees at higher levels should use success in building rural grass-roots organizations, especially rural grass-roots party organizations, as an important basis for evaluating the actual achievements of county party committees and their secretaries. On the basis of conscientiously studying the "Decision" of the Fourth Plenary Session of the CPC Central Committee, we should strive to understand more deeply this conference's guidelines; enhance our understanding; strengthen leadership; closely integrate the study of the fourth plenary session "Decision" with the study of this conference's guidelines; work hard and in a down-to-earth way; and raise the building of rural grass-roots organizations, with party organizations as the core, to a new level!

Editorial on Party Building

*HK3110072494 Beijing RENMIN RIBAO in Chinese
26 Oct 94 p 1*

[Editorial: "Firmly Remember the Target of the Whole, Implement Arrangements for the Whole—Sixth Commentary on Earnestly Studying and Implementing 'Decision' of Fourth Plenary Session"]

[FBIS Translated Text] On the basis of fully studying and grasping the decision of the CPC Central Committee concerning some major issues on strengthening party building, firmly remembering the overall target of party building, mastering the overall arrangements for party building, and making all-round progress while bearing the overall situation in mind has an important bearing on implementing in a better way the various requirements laid out by the decision.

What is the overall target of party building during the new period? This is precisely what the decision has pointed out: "Building the party into a Marxist political party which is armed with the theory of building socialism with Chinese characteristics; which serves the people wholeheartedly; which is fully consolidated ideologically, politically, and organizationally; which can withstand the tests of all hazards; and which always advances ahead of the times."

This target is in line with the requirements laid down by the party constitution since it is founded on a scientific analysis of the domestic and international situation, of the party's ruling status and the important historical tasks which it takes on, and of the party's own conditions. The contemporary world is undergoing immense historical adjustments, whereas China is in the course of great historical change. Both are long and complicated processes. Under such a macroeconomic background, the key to the question of whether or not we can seize the opportunity to develop ourselves, to fully advance the great cause of building socialism with Chinese characteristics, to fulfill the set target of struggle step by step, and to always be in an invincible position lies in whether or not our party can uphold the correct theory and correct line and can unite and lead the people of all ethnic backgrounds throughout the country to surmount every

difficulty and to advance in a pioneering spirit. The new situation and new tasks set new demands on our party. Overall, our party has proven itself to be the strong leading core of the cause of our country's socialist modernization and to be a ruling party, justifying the great trust and hopes placed in it by the people. But we should also notice that under the new situation of reform and opening up, party building has also met many complexities. In some localities and units, party organs have failed to fulfill their tasks and are not governed well, they are lax in discipline and organization, and various problems which brook no neglect exist in their ideology, organization, and style. In particular, the fact that certain negative factors and corrupt phenomena are growing and spreading within the party is seriously eroding the contingent of party members and cadres and weakening the party's cohesiveness and fighting capacity. Hence, it is absolutely essential to unequivocally relay to all party comrades the target of strengthening party building during the new period and to mobilize and organize them to devote themselves to strengthening party building. The great project of reform and opening up and the socialist modernization drive requires us to pay attention to the new great project of party building, and the magnificent goal of reform and opening up and the socialist modernization drive requires us to correspondingly work out a target of struggle for party building. The target of party building during the new period is the whole party's action guide, and all party comrades must bear this target firmly in mind and exert themselves in the struggle to fulfill this target.

To fulfill the overall target of party building, it is necessary to earnestly implement the overall arrangements for party building and to fully strengthen the building of party ideology, organizations, and style. The building of party ideology, organizations, and style is an important and indispensable component of party building, as well as the entirety with complementary parts. The building of the three is very important and the neglect of any one element will never work. Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, our party has scored tremendous achievements in every respect of its building since the Third Plenary Session of the 11th CPC Central Committee. The great victories in reform and opening up and the socialist modernization drive over the past 16 years, which is a focus of global attention, was won under party leadership and cannot be separated from achievements in party building. The 14th CPC Congress has further set forth the historical tasks of strengthening party building and improving party leadership. In the past two years, the party Central Committee with Comrade Jiang Zemin at the core has successively made concrete arrangements for the building of ideology and style, such as publishing the Volume 3 of the *Selected Works of Deng Xiaoping* and organizing the whole party to earnestly study the

theory of building socialism with Chinese characteristics, strengthening propaganda work and vigorously promoting the building of party conduct and socialist spiritual civilization, and strengthening the building of a clean and honest government and intensifying the anti-corruption struggle. Now, the Fourth Plenary Session of the 14th CPC Central Committee has emphatically made a decision again on strengthening the building of party organizations. In this way, the overall arrangements for strengthening party building under the new situation have taken shape, thus providing a scientific basis, an overall train of thought, and concrete requirements for continuously paying full attention to party building and advancing party building to a new level. We should study it conscientiously and implement it in an all-round way.

At present, in the process of implementing the Central Committee's overall arrangements for strengthening party building, strengthening the building of party organizations is a prominent link. All three tasks laid down by the decision—persisting in and improving democratic centralism, strengthening and improving the building of the party's grass-roots organizations, and training and selecting leading cadres with both political integrity and ability—are important links in the building of organizations which are closely integrated with and inseparable from each other. Doing well the work in these three respects in accordance with the decision's requirements will make our party organizations stronger and more consolidated so that the important historical tasks will be performed in a better way.

At a time when special attention is being paid to the building of party organizations, we must not, to the slightest degree, slacken our efforts or overlook the building of party ideology and style. On the contrary, practical moves to strengthen the building of organizations should be taken to further the building of ideology and style and to guarantee that such building is fruitful. We must keep on putting ideological building in the most important place and master the strategic task of arming the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. We must conscientiously study the original and make efforts to fully and systematically master the scientific system of the theory, to uphold the scientific attitude of emancipating the mind and seeking truth from facts, and to solve current major problems through theoretical studies. In particular, we must make clear what is socialism and how to build and develop socialism and be more aware of and firmer in our enforcement of the party's basic line. We must keep on paying attention to the building of party style, uphold the aim of wholeheartedly serving the people and the party's mass line, strengthen the building of a clean and honest government, and launch the anti-corruption struggle in a perpetual manner. Party members and leading cadres should set an example to others and take the lead in

acting as models. Only in this way can the party win the masses' trust and support and maintain close ties with them.

All party comrades must, under the strong leadership of the party Central Committee with Comrade Jiang Zemin at the core, always bear the overall target of party building firmly in mind, earnestly implement the overall arrangements for party building, and be united as one in unremittingly struggling for the successful building of this great project which is of overall and far-reaching significance.

Social Security System for Civil Servants

OW3110084594 Beijing XINHUA in English 0737
GMT 31 Oct 94

[FBIS Transcribed Text] Nanjing, October 31 (XINHUA)—China is framing a social security system for its 30 million civil servants and other government employees.

This was disclosed at a national conference in Zhenjiang, Jiangsu Province.

Under the new system a large proportion of the funds will be covered by the state, and the rest by individual employees.

A survey made by the Ministry of Personnel shows that over 400 counties in 20 provinces are now trying out the new system.

Shanghai and Beijing Municipalities, and Hainan, Liaoning, Shandong and Hubei Provinces have expanded the system to include unemployment insurance.

Liaoning, Shaanxi and Hainan Provinces are experimenting with sickness benefits.

These efforts are being made in line with the expected evolution of China into a society with a high proportion of retirees at the beginning of the next century.

According to the United Nations standards, a nation can be counted as an "aged" society if 10 percent of its population are over 60 years old, or seven percent are over 65 years old.

China spent at least 74 billion yuan last year on retirement benefits, 22.2 billion yuan of which went to civil servants and other state employees.

To make matters worse, China faces a grim prospect as more and more future families will consist of four grandparents, two parents and one child, as a result of the family planning policy encouraging one child per couple.

In the 2040s, experts estimate, over a quarter of the population of China will be elderly, and so there is an urgent need to accumulate funds for the support of the huge number of retirees.

Under the fund-raising program of the new system, the state will provide between 15 percent and 33 percent of the pensions for civil servants and other state employees, and individuals will contribute between one and two percent.

The central government also encourages individuals to put more money into the pension scheme in order to increase their benefits.

Circular Bans Vessels Without Proper Registration

OW3010012394 Beijing XINHUA Domestic Service in Chinese 0429 GMT 29 Oct 94

[FBIS Translated Text] Beijing, 29 Oct (XINHUA)—The State Council recently transmitted a "Circular on Screening and Banning 'Three Without' Vessels," signed jointly by the Ministry of Agriculture, the Ministry of Public Security, the Ministry of Communications, the State Administration for Industry and Commerce, and the General Administration of Customs.

The circular says: In recent years, lawless elements in some coastal regions have used vessels without names, call signs, certificates, and ports of registration to engage in criminal activities such as smuggling, which has seriously jeopardized maritime security, as well as hampered normal productivity and transportation services. To crack down on these criminal activities and safeguard normal maritime operations, as well as protect the people's life and property, we must resolutely screen and ban vessels without names, call signs, certificates, and ports of registration. We hereby issue the following special circular:

1. Port and maritime law enforcement departments such as the public security department, fishing administration and supervision department, and port supervision departments shall confiscate vessels that are illegally built and remodeled without going through the formalities required for approval. Industry and commerce administrative organs shall impose a fine not exceeding two times a vessel's price on shipbuilding plants that build and remodel ships without going through the formalities for approval. In cases of serious law violations, the plants' business licenses shall be withdrawn in accordance with the law. Industry and commerce administrative organs shall ban shipbuilding plants that illegally build and remodel vessels without approved registration, and confiscate the plants' sales income and illegally built and remodeled vessels.

2. The port supervision department and fishing administration and supervision department shall, within the scope of their respective duties, further strengthen the management of issuing certificates to vessels entering and leaving ports. These departments shall prohibit vessels without names, call signs, certificates, and ports of registration that berth in ports from leaving, and

confiscate them. In addition, a fine not exceeding two times a vessel's price shall be imposed on the vessel owner.

3. Fishing administration and supervision departments and port supervision departments shall strengthen the control over production, navigation, and public security order on the sea. Customs and public security departments shall integrate their duties with the tasks of cracking down on maritime smuggling and ban vessels without names, call signs, certificates, and ports of registration. These vessels shall be confiscated without exception when they are found to navigate or berth on the sea. In addition, a fine not exceeding two times a vessel's price shall be imposed on the vessel owner.

4. The public security organs shall, in accordance with the Regulations of the People's Republic of China for Controlling and Punishing Public Offenses, penalize those who prevent and hamper law enforcement personnel from carrying out their public duties. The judicial organs shall conduct investigation to determine the criminal liability on actions that constitute crimes.

5. Vessels without names, call signs, certificates, and ports of registration that are confiscated by border defense public security organs, customs, port supervision departments, as well as fishing administration and supervision departments may be dismantled on the spot. The dismantling fee shall be paid from the sale of vessel scraps and the balance of sales shall be treated as fines. In addition, the vessels may be used as law enforcement vessels after going through the necessary formalities for approval. However, the vessels shall not be used for other purposes.

All units and individuals who own vessels without names, call signs, certificates, and ports of registration must register and await further handling instructions at local port supervision departments as well as fishing administration and supervision departments before 30 November 1994. Those who fail to register by this date shall be severely dealt with after investigation.

All those who utilize vessels without names, call signs, certificates, and ports of registration for illegal activities must voluntarily surrender themselves at public security organs before 30 November 1994. Otherwise, they will be severely punished in accordance with the law once discovered.

6. This circular shall go into effect from the date of announcement.

Patients Buy Kidneys From Executed Prisoners

HK3010072794 Hong Kong SOUTH CHINA DAILY MORNING POST in English 30 Oct 94 pp 1, 7

[By Queenie Wang]

[FBIS Transcribed Text] One of Hong Kong's top renal specialists, Dr George Chan Man-kam, is referring

patients to China to receive the kidneys of executed prisoners, the SUNDAY MORNING POST can reveal. Dr Chan is informed of execution dates by a network of his former students who now work on the mainland. "They find out from the notices posted by the courts, and then they call me," he told a potential patient and a SUNDAY MORNING POST reporter posing as a friend.

The former renal chief of Queen Mary Hospital and ex-professor at the University of Hong Kong Medical School boasted that among his past transplant patients was former ATV chairman Deacon Chiu Te-ken. When he spoke to the Sunday Morning Post yesterday, Dr Chan insisted he was "one of the most ethical, if not the most ethical, private doctor in Hong Kong". "A state law enacted in 1984 clearly bans organ trading in China and the (mainland) professional body has denied there is any organ trading. I trust them. What else can I do? I'm not a private detective," he said. "Even if they produce a letter of consent, how can you know whether this means there is full consent from the prisoner? The fact is this is not trading."

Dr Chan who operates out of a small clinic on the eighth floor of Melbourne Plaza in Central, denied there was anything immoral in patients receiving the kidneys of possibly unwilling donors. "I'm not an organ broker," he said. "Anyway, they are dead, their organs will be thrown away after they die. If you want to argue about this, then you should start with whether China should have the death penalty at all." He added: "It's the doctor's responsibility to save patients' lives. If you need a transplant, my job is to make sure the patient has as smooth a path as possible. I never tell patients they must go ahead (with the transplant)."

Patients he refers to mainland hospitals stay in China for about a week for the transplant operation, which takes about 2 ½ hours. But patients have to receive dialysis and preliminary tests in his clinic which cost about \$20,000, with an additional \$35,000 for follow-up treatment when they return. They also spend about 10 days recovering at a local private hospital, which costs another \$20,000. The mainland hospital charges \$70,000 to \$80,000 for the operation and accommodation fees, bringing the total to around \$150,000.

Dr Chan said his transplants had an 85 per cent success rate. He admitted some of the other 15 per cent of the patients had died, but he refused to say how many. He said the standards in the hospitals his patients used was not a matter of major concern. "These hospitals are all licensed by the central government to perform operations," he said. "They must satisfy some kind of minimum standards. So every hospital is the same, the operations are simple and the patients are well informed beforehand. If they find the hospital is not good enough, they can leave. Nobody forces them to have an operation there."

Earlier, Dr Chan told the undercover reporter of his contacts in hospitals throughout China, including

Guangzhou and Shanghai. Experience in recent years had shown more kidneys were available in the run up to the Lunar New Year, around February, and in late November and early December. "But after Lunar New Year, our experience is that you might have to wait three months for a kidney." He insisted the "quality" of prisoners' kidneys was "much better" than those available in Hong Kong. "The supply is overwhelming, so we won't use those aged over 30 or drug addicts," he said.

While preliminary tests are done to ensure the kidney and the patient are compatible, Dr Chan admitted mainland hospitals would be unlikely to perform all the tests required in Hong Kong. But he rejected fears that receiving a transplant in China was more dangerous. "The (quality of the) hospital is not an issue: what is at issue is whether you have got enough money, and whether you have made up your mind or not."

Dr Chan tried to encourage the potential patient by citing the case of a Mr Chiu who successfully received a transplant at Zhongshan Medical School in Guangdong province, the "dirtiest" hospital in his network. Dr Chan declined to reveal the number of kidney patients he sends to China for transplants, but admitted it was more than the 53 who underwent the operation in Hong Kong hospitals last year.

Commentary Derides 'China Threat' Theory

HK3110074894 Beijing RENMIN RIBAO in Chinese
27 Oct 94 p 6

[“Special commentary” by Hu Ping (5170 1627): “The Interests of China Lie in Peace and Development—Refuting ‘Theory of Chinese Military Threat’”]

[FBIS Translated Text] Editor's note: The so-called "theory of military threat from China" has been fabricated by some people with the purpose of sowing discord between China and its neighboring countries and obstructing China's development. By analyzing China's military expenditure, armaments, and good-neighbor policy, this article expounds that taking the road of peace and development to national prosperity is the historical choice of the Chinese people, thus refuting this fallacy. [end editor's note]

Over the past few years, China has achieved remarkable successes in reform, opening, and economic construction, making it the focus of world attention. Some Western media, which were fond of talking about China's instability and the failure of its reforms some years ago, are now trying to make people believe that China will soon become the new superpower. Mechanically applying logic characterized by power politics, they say that when China becomes powerful it will certainly change its economic strength into military strength and will adopt a policy of foreign expansion, posing a threat to other countries. Some have even made more astonishing remarks, warning that China will fill a power vacuum in the Asia-Pacific region, which has resulted

from a reduction in the superpowers' forces. They have thus fabricated a "theory of military threat from China."

The growth of China's military expenditure over the past few years has been one of the main arguments of the "theory of military threat from China." However, facts speak louder than words. Although China's military expenditure has increased to a certain extent over the past few years, it is only for the purpose of making up deficits which resulted from excessively low military expenditure in previous years and making up for losses in actual military expenses because of the high inflation rates of recent years. For example, China's national defense expenditure grew by 16.7 percent last year compared with the previous year, but in the same year, China's inflation rate was over 13 percent. This year, China's budgeted national defense expenditure is 20 percent higher than last year, but in the first seven months of this year China's commodity prices went up by 20 percent. Therefore, the actual growth of China's military expenditure is extremely limited. Judging from relative figures, the proportion of China's economy devoted to national defense expenditure has actually dropped each year. The proportion of China's national defense expenditure to GNP was 1.7 percent in 1991, 1.5 percent in 1992, and 1.3 percent in 1993. Moreover, on a per-capita basis, each person in China shares 43 yuan, or \$5, of national defense expenditure this year, but in the United States it is \$1,000 per person. The figures for Britain and France both exceed \$600, Japan's is about \$360, and India's is about \$8. Judging from absolute figures, China's national defense expenditure is also at a low world level. In 1993, China's national defense expenditure was 43.2 billion yuan, but U.S. military expenditure in the same year reached \$291 billion. By converting China's 1993 national defense expenditure into dollars, it was only equal to 2.5 percent of U.S. military expenditure, 20 percent of Japan's military expenditure, and 22 percent of Britain and France.

Over the past year or so, China has reduced the size of its Army several times. At present, it has 3 million servicemen, but they are rather poorly equipped. Moreover, this figure also includes many clerical staff, who are not included in the military establishment in most countries. At present, the average number of servicemen for every 10,000 people in China is 25, but it is 66 in the United States. In Russia, even if it reaches its target of reducing its forces by 1.5 million, the average will also reach 100. In respect of Navy and Air Force equipment, China still does not have a warship with a displacement over 5,000 tons in its fleet or in projects under development. Therefore, it is entirely groundless to say that China is developing a blue water navy. Moreover, China is also one country or region which has imported few war planes over the past decades. Thus, it is not difficult for all unbiased military observers to draw the conclusion that the main function of China's military armament is for territorial and coastal defense. As a country with one of

the lowest levels of armaments, China's limited armaments pose no threat at all to any other country, still less can it have a negative impact on the balance of regional security.

China is a peace-loving country. It values highly a relaxed international situation and a peaceful and harmonious neighboring environment. It is expecting to further strengthen good-neighbor relationships and relationships of mutual benefit and cooperation with countries around the world. It is ready to take a fair and reasonable attitude and an attitude of mutual understanding and mutual concession to resolve various international disputes peacefully through negotiations. At present, China is in the best period since the founding of the state regarding its relations with neighboring countries. China's objective is to build up a stable and prosperous new Asia-Pacific region together with the various countries concerned. The purpose of Chinese diplomacy is to maintain a peaceful international environment so that its limited resources and energies can be concentrated on construction and development. Therefore, China needs an international environment of cooperation rather than confrontation.

The "theory of military threat from China" is absurd because it appraises China's interests and intentions on the basis of outdated geopolitical strategy and power politics. This is by no means China's understanding of its national interests and China's way of thinking. In the mid-20th century, all those countries which tried to expand and establish hegemony by force suffered disgraceful defeats without exception. However, many of those which concentrated their strength on economic development succeeded. History has again and again forced military expansionism and power politics to suffer defeat. China's conclusion is: Starting with the purpose of harming others, all arms races, foreign expansion, and hegemonism only harm the perpetrators themselves in the end. Only peace and development is the right way to make a country safe and peaceful. China has no need, and no interest either, in playing big power games or filling a so-called sphere of influence vacuum, because it believes that no country can really benefit from or achieve success by seeking spheres of influence or filling power vacuums.

To find the root cause, those who were fond of restraining China in the past are now creating a new China threat theory. Their purpose is none other than to sow discord between China and its neighboring countries so they can benefit from it (such as through arms sales) and to restrain and obstruct China's development. However, their attempt is doomed to failure. China will eventually shake off its long-term poverty and backwardness and will become powerful and prosperous through the road of peace and development.

Having been bullied and invaded by various powers over the past century, China is fully aware of the importance of maintaining a suitable national defense force. Like all

other sovereign states, China will gradually improve its Army's equipment on the basis of economic development. But all this is only for self defense. China will never seek expansion and hegemony and will never participate in arms races, no matter whether it is comparatively weak in strength or becomes really powerful in the future! This has nothing to do with restraints from outside. It is only because China has no such intentions and expansion, hegemony, and arms races do not conform with China's interests. China's interests lie in peace and development. This is the historical choice of the Chinese people.

Cadre Jailed for 'Leaking State Secrets'

HK2910060594 Hong Kong SOUTHERN CHINA MORNING POST in English 29 Oct 94 p 1

[By Zhang Weiguo]

[FBIS Transcribed Text] A junior official of China's State Council General Office has been sentenced to three years in jail for leaking state secrets sources said yesterday. Sources said the official, Yu Meisun, 39, was arrested shortly after Lunar New Year and sentenced behind closed doors in May. His appeals have been rejected.

Yu was secretary to Communist Party elder Gu Ming and taught law at Beijing University. Mr Gu was the secretary to late premier Zhou Enlai. Sources said Yu was convicted for leaking confidential documents to a Beijing-based reporter who worked for a Shanghai newspaper. The reporter was said to have used the information for publication. But they said state security agents had released the reporter after investigation.

Pleas from influential elders like Mr Gu for leniency in Yu's case were rejected. Mr Gu, who retired many years ago, was one of the few party elders who kept offices in Zhongnanhai.

The sentencing of Yu had plunged the whole family into severe hardship as he was the only breadwinner sources said. There was no one to look after his seven-year-old daughter and his sick, elderly mother. Yu's brother has mental problems.

Described by his colleagues as a hard-working cadre, Yu played a role in legal reform and was instrumental in introducing computers to the mainland judiciary. He was also one of the few speech-writers for top Chinese leaders and has won recognition from many senior party officials.

Hong Kong reporter Xi Yang was sentenced to 12 years in jail last April for "leaking state financial secrets" and mainland freelance writer Gao Yu has been detained for more than a year over a similar offence but has not yet been sentenced.

Congregation Upset Over 'Sacking' of Pastor

HK3010073794 Hong Kong SUNDAY HONGKONG STANDARD 30 Oct in English 94 p 8

[FBIS Transcribed Text] Beijing: Government religious authorities had sacked a liberal Christian pastor over the objections of the congregation in Beijing's most popular church, members said yesterday. The Chinese Christian Council and the Three-Self Patriotic Movement, the two bodies under the government's Religious Affairs Bureau that govern the nation's Protestant churches, have long been unhappy with Li Dequan, the aging head pastor of Beijing's Gangwashi church.

In 1989, he allowed young worshippers to join the Tiananmen Square democracy movement, where they took part in the massive street marches carrying wooden crosses and banners identifying themselves as Christians. Attendance at Mr Li's church has dramatically increased against the wishes of government officials who view a growing Christian community as a threat.

In 1993, the government tried to sack Mr Li, but church members threatened to take to the streets in protest, forcing the officials to back down. In recent months, several members of Mr Li's church have been arrested or detained for dissident activities. Church members would not disclose what, if any, action they might take.

Beijing Police Beat Protestant Worshipper

HK3110053694 Hong Kong EASTERN EXPRESS in English 31 Oct 94 p 8

[By Bruce Gilley]

[FBIS Transcribed Text] Beijing's largest Christian church was thrown into confusion yesterday when police beat a worshipper after a morning service and were immediately surrounded by angry members of the congregation. Hua Huiqi, described as a frequent visitor to the Gangwashi Protestant Church, was punched and kicked after taking photographs of more than two dozen police gathered in the churchyard.

Witnesses said the police were making video tapes and taking photographs of those at the church, but took exception to Hua doing likewise. The first blows were landed by Si Yongcheng, the deputy head in charge of Christian groups at the Beijing Religious Affairs Office, according to witnesses. "Many of our older worshippers went through the Cultural Revolution, when Red Guards stormed this church. But no one has ever seen a government official take part in such violence," Li Dequan, the head of the church committee, said.

After congregation members pulled Hua to safety, Si was verbally abused by church leaders, although no arrests were reported. The elderly pastor of the church, Yang Yudong, appealed for calm after the incident but was told by officials not to interfere.

The scuffle erupted at about 9.30 am, when those leaving the early morning service usually mingle in the church-yard with others attending the later service. Despite the disruption, the late morning service went ahead as scheduled. Yang made an appeal for the prayers of other Beijing churches.

The incident followed a week in which the stubborn congregation repeatedly thwarted attempts by Beijing religious authorities to oust Yang and assume control of the church.

Yang, 73, is accused of harbouring student protesters after the 1989 Tiananmen crackdown and of preaching a liberal message since then.

Last Thursday, authorities said he had three days to resign voluntarily or face forceful removal. The deadline passed, and Yang held to the view that his post was sanctioned by God and the congregation, and that there was no legal or political justification for removing him.

More than two dozen plainclothes and uniformed police officers were sent to the church yesterday morning with plans to announce Yang's dismissal, church sources said. He was to be replaced by Yu Xinli, the head of the Beijing Three-Self Patriotic Movement, the official governing body for China's Protestant churches. Local officials want to remove Yang before the church registers its clergy under China's new religious laws.

Church leaders later held an emergency meeting and decided to organise a special prayer meeting this week to oppose what they describe as the "coercive tactics" being used by local religious officials. The first attempt to dismiss Yang was last year, but authorities backed down after the church committee threatened legal action. Gangwashi has grown into Beijing's largest official Protestant church, with a congregation of more than 2,000.

Over 140,000 Disciplinary Cases Handled

OW2910071294 Beijing XINHUA in English 0652
GMT 29 Oct 94

[FBIS Transcribed Text] Dalian, October 29 (XINHUA)—China's supervisory bodies had handled more than 140,000 legal and disciplinary cases concerning party members and officials from early 1992 to the end of this past June.

This was learned at an on-going national working meeting on trying legal and disciplinary cases in Dalian, Liaoning Province.

A total of 143,000 party members and officials were dealt with in disciplinary cases. Of those, 20,000 were given both party and administrative disciplinary punishments and 10,000 were transferred to judicial departments.

The figures indicate the Communist Party's determination to wipe out corruption and build up a clean government, sources at the meeting said.

While summing up experience in disciplinary supervision and studying problems under the new situation, the meeting will discuss and revise stipulations on trying in this regard, according to sources.

First MBA Syllabus Published

OW3010150094 Beijing XINHUA in English 1434
GMT 30 Oct 94

[FBIS Transcribed Text] Changsha, October 30 (XINHUA)—China has published its first MBA syllabus, setting a foundation for the regular development of education of Master of Business Administration (MBA), according to a conference concluded here last week.

To date, China has been carrying out the MBA program in 26 universities, which hold 559 MBA students, said the First Conference of the National MBA Education Guiding Committee, which ended in Changsha, capital of south China's Hunan Province.

It was revealed at the conference that 86 MBA students have graduated from the universities.

So far this year 1,476 new MBA students have been enrolled, according to the meeting.

China started its MBA program in nine universities and colleges in 1991, though it first sent youth abroad to receive MBA training when initiating its drive of reform and open-up in early 1980s.

A large amount of MBA are needed as China has over 1 million enterprises and a booming economy, the meeting said.

Reference Book on State Affairs Published

OW2810131194 Beijing XINHUA Domestic Service in Chinese 0952 GMT 26 Oct 94

[FBIS Translated Text] Beijing, 26 Oct (XINHUA)—The Complete Volume on Practical State Affairs [guo jia gong wu shi yong da quan, 0948 1367 0361 0523 1395 3938 1129 0356]—a major reference book written and compiled by more than 200 specialists, scholars, and scientific researchers of the Personnel Ministry, the State Committee for Establishment of Central Organizations, the State Planning Commission, and other units—was recently published and distributed by the Xinhua Publishing House.

The reference book is aimed at: meeting demands of the country's efforts to deepen reform and broaden the scope of opening up, and of developing a socialist market economy; satisfying the needs of governments at all levels, of state functionaries of all categories, and of people of all circles; making state affairs and work better known to the public; and facilitating communications between the government and enterprises, institutions, and the masses.

The book provides comprehensive discussions of and introductions to state affairs—including the theory,

functioning, and practice of state affairs—and government organs. It consists of six parts: Deng Xiaoping on State Administration and Management; Knowledge About State Affairs; Organs and Organization; Practical Work of State Functionaries; A Collection of Commonly Used Laws and Regulations; and A Comparison of Foreign Governments. It is a comprehensive, systematic, practical, and authoritative full-sized reference book.

Beijing Boosts Production of TV Documentaries

OW2910041494 Beijing XINHUA in English 0318
GMT 29 Oct 94

[FBIS Transcribed Text] Yinchuan, October 29 (XINHUA)—TV documentaries have flourished in China in the past 15 years, with over 1,000 such works produced annually, indicating a new stage of the documentary making industry, according to a national symposium on TV documentary held here recently.

The most influential TV documentaries include "The Chang Jiang River", "Silk Road", "The Yellow River" and "The Great Wall", all running into over 20 parts.

The latest-made documentaries focus on a variety of topics, ranging from China's scenic spots, culture, history to social, political and economic events as well as international issues.

Since mid 1980s, documentaries featuring common folks against the backdrop of reform and opening have become increasingly popular, according to the symposium.

Since the 1980s, a number of documentaries have been sold and shown abroad as part of cultural exchange programs. Some of these documentaries, including "Families of Northern Tibet" and "Crested ibises in the Last Habitation," have won world-level prizes.

Economic & Agricultural

Li Peng: 'Replace Bartering With Cash Trade'
HK2910074094 Beijing CHINA DAILY in English 29 Oct 94 p 1

[By Ma Chenguang: "Li Urges Neighbourly Cash Trade"]

[FBIS Transcribed Text] In a bid to boost bilateral economic ties, China will take steps to replace bartering with cash trade in its dealings with Russia and Central Asian countries, Premier Li Peng suggested yesterday in Beijing.

"China will take the lead in buying some of their goods, such as fertilizers, cotton and timber, with cash instead of only through barter trade," Li said while meeting delegates attending the Conference of Railway Ministers held in Beijing.

He added that China will not demand these neighbouring countries reciprocate such a practice initially.

The move is partly aimed at raising the Euroasian railway freight volume and ultimately the trade volume between China and these nations, Li said.

The three-day conference, which ended yesterday with a railway agreement, was attended by railway ministers and other officials from China, Russia and five Central Asian nations of Kazakhstan, Kirghizstan, Uzbekistan, Turkmenistan and Tadzhikistan.

The current barter trading is in backward trend and should be elevated to meet world practices, Li noted.

China will also make headway to facilitate the building of the Eurasian transcontinental railway to better link China with these nations, according to Li.

China and Russia have been linked by a trans-Siberian railway.

"Through past years, China has attached ample attention to building railways, including the eastern part of the Eurasian Railway," Li added.

China has great potential and ability in enlarging its railway transport volume with these countries the premier emphasized.

Railway building was included among China's top priorities in economic development, which focus on transportation, energy, communications and raw material, Li said.

However, the premier noted, the current railway transport fare in China is too low, even lower than highway and water transport prices.

Zhu Rongji Frames 'Optimistic' Economic Assessment

HK3110090794 Hong Kong MING PAO in Chinese 28 Oct 94 p A2

[“Special article” by Lin Sha-feng (2651 3097 7364): “Zhu Rongji Pleased To See Financial Crisis Phasing Out, Money Supply Expected To Be Eased”]

[FBIS Translated Text] At a recent State Council work meeting, Zhu Rongji, member of the CPC Central Committee Political Bureau Standing Committee and vice premier, made an optimistic assessment of the current financial situation in Mainland China for the first time this year. He said: "It can be said that we have been able to tide over the financial crisis this year, as the financial situation has improved substantially. Now, it seems that people's anxiety about the problem has been removed just like a stone laid aside from our minds."

People generally believe that due to Zhu Rongji's optimistic assessment of the economic situation, relevant departments may readjust the intensity of economic retrenchment and will ease the money supply slightly.

As disclosed by an authoritative source in Beijing, Zhu Rongji also said on the same occasion: "It should be said that we have comprehensively set up the basic framework of a socialist market economy in a very short time. This reform is unprecedented. It seems that our previous anxiety has been removed like a stone being laid down. Instead of falling into chaos, the operation of the national economy is back to normal. It can be said that we no longer face a great risk now. If we keep advancing in this direction, the goal of a socialist market economy will be achieved. Indeed, this did not come easily. Some countries also tried to unify their exchange rates, but they failed soon after their work began. However, we have basically succeeded."

Zhu Rongji continued: "As a measure of tax system reform, we have collected value-added tax in a comprehensive way and practiced a revenue-sharing system between the central and local authorities. Despite such radical reforms, financial revenue still increased by a considerably large margin. This achievement has not been scored easily. We have also had great success in issuing treasury bonds by economic means. It can be said that the financial crisis this year will be tided over, and the problem of financial departments borrowing money from the banks no longer exists. Generally speaking, our banking reform started last year. Phenomena of arbitrary lending and fund-raising have basically been checked now. That is why we say the financial situation this year has improved substantially."

In his speech, Zhu Rongji also pointed out emphatically: "Practice has proven that we have drawn up correct measures for the structural reforms in banking, finance, taxation, and foreign trade. There must be various kinds of deficiencies with the introduction of so many measures in such a short time. Our attitude is that we will resolve any problem as soon as it crops up and will always go on with our reforms unflinchingly, because we have no other way out. Taken as a whole, these reform measures are workable and there will not be big problems."

The above is the most optimistic assessment of the macroeconomy Zhu Rongji has made at an internal meeting so far this year. This is different from the extremely grim situation he assessed previously. Therefore, there is reason to believe that senior CPC officials may make some readjustments to the intensity of macroeconomic regulation and control.

In fact, after practicing the new tax system, the financial revenue of the central authorities has actually increased by a large margin. However, the Ministry of Finance still issued more than 100 billion yuan in treasury bonds. It has been reported that nearly half the county-level governments nationwide are unable to pay salaries on time. As state-owned enterprises are still suffering great losses and inflation remains high, people still cannot be optimistic about the economic situation in China next year.

Li Tieying Calls For Revitalizing State Enterprises

*OW2910143694 Beijing XINHUA in English 1315
GMT 29 Oct 94*

[FBIS Transcribed Text] Beijing, October 29 (XINHUA)—State Councilor Li Tieying called on relevant departments to cooperate with managers of state enterprises for revitalizing these enterprises.

Li made the call at a symposium on reform and development of Chinese state enterprises which opened here today.

Some 500 experts and entrepreneurs attended the symposium, which was sponsored by the Research Center for Economic, Technological and Social Development of the State Council, the State Commission for Restructuring the Economy, and the State Economic and Trade Commission.

The symposium has received nearly 100 theses on revitalizing the large and medium-sized state enterprises, mostly written by managers or directors of enterprises.

Zou Jiahua Hails Yanshan Petrochemical Expansion

OW2910050094 Beijing XINHUA Domestic Service in Chinese 1025 GMT 26 Oct 94

[By RENMIN RIBAO reporter Chen Shurong (7115 2885 2837) and XINHUA reporter Liu Puquan (0491 3184 3123)]

[FBIS Translated Text] Beijing, 26 Oct (XINHUA)—Speaking at a meeting celebrating the completion of the expansion and reconstruction of Beijing Yanshan Petrochemical Corporation's ethylene plant today, Zou Jiahua, vice premier of the State Council, stressed the need for all professions and trades in the nation to learn from the success of Yanshan Petrochemical's expansion and reconstruction project. He said that the petrochemical industry in particular should seriously sum up and popularize the company's experience.

Expansion and reconstruction of Yanshan Petrochemical's 300,000-tonne ethylene plant was a key state construction project during the Eighth Five-Year Plan. It was also China's first attempt in carrying out large-scale technological transformation of a massive imported petrochemical installation. The investment for the project was estimated at 2.8 billion yuan, including \$146 million in foreign exchange. The project called for the construction of three sets of primary 24/2 supporting facilities to increase the production of ethylene from 300,000 tonnes to 450,000 tonnes and polypropylene from 115,000 tonnes to 155,000 tonnes and to produce 140,000 tonnes of high-density polyethylene. Construction of the project began in January 1992. After only 28 months of construction, it was completed and proved successful during the first test run.

Zou Jiahua said: The successful expansion and reconstruction of the company's ethylene plant has provided a valuable experience for state-owned large- and medium-sized enterprises and blazed a new trail to develop China's petrochemical industry with greater, faster, better, and more economical results. On behalf of the State Council and Premier Li Peng, he extended warm congratulations on the completion and operation of the rebuilt plant.

Zou Jiahua said: The project's successful experience includes the following: First, we must carry out technological transformation of old enterprises. Second, we must develop more and better import substitutes of our own. Third, we must concentrate our efforts to fight a battle of annihilation. Fourth, we must bring into full play a combatant spirit and selfless devotion. At present, China has completed and put into production four 300,000-tonne ethylene plants, namely the Daqing, Qilu, Yangzi, and Shanghai ethylene plants, and a number of medium-sized ethylene projects, including Fushun and Panjin ethylene plants. Still under construction are two 300,000-tonne ethylene plants, the Maoming and Jihua ethylene plants, and several medium-sized ethylene plants, including the Beijing, Tianjin, Guangzhou, and Dushanzi ethylene plants. In the future, all these ethylene installations should take Yanshan Petrochemical's road in carrying out technological transformation of what they already have, giving consideration to the development of the national economy; market demands for petrochemical products in terms of quality, variety, and volume; and the actual circumstances. If they can do so, the prospect for vitalizing our petrochemical industry will be very bright.

Zou Jiahua pointed out: The party Central Committee and State Council have stated that next year, we will concentrate on improving state-owned large- and medium-sized enterprises, focusing in particular on reforming state-owned enterprises. The Yanshan Petrochemical Corporation has marched ahead of others in technological transformation. I hope it will also march ahead of others in deepening enterprise reform and establishing a modern enterprise system to provide useful experience for enterprises on the petrochemical and other industrial fronts.

Leading comrades of departments concerned and representatives from Japanese and U.S. firms attended today's celebrations. After the meeting, Zou Jiahua visited the rebuilt project site and its production facilities and cut ribbons for the project.

Chen Junsheng on Rural Surplus Labor Problem

OW2810120894 Beijing XINHUA Domestic Service in Chinese 1044 GMT 26 Oct 94

[By RENMIN RIBAO reporter Xia Jun (1115 0193) and XINHUA reporter Chao Wen (6872 2429)]

[FBIS Translated Text] Beijing, 26 Oct (XINHUA)—State councillor Chen Junsheng emphasized at a national

meeting on rural policies, laws and regulations today: To enforce rural policies, laws and regulations is an important functional duty of agricultural departments at all levels. Governments at all levels should strengthen their leadership and support the agricultural departments in manpower and funds. He said: In today's new situation, agriculture and the rural economy have new problems to solve. It is necessary to step up comprehensive management and macroeconomic regulation and control of agriculture and rural economy. Macroeconomically speaking, agricultural departments at all levels should change their concept and their functional duties, enforce rural policies, laws, and regulations, and do solid and effective work.

Chen Junsheng emphatically expressed his views on how to put rural surplus labor to use. He pointed out: The question of our rural surplus labor is an important strategic question concerning the development of the rural economy and the national economy as a whole, as well as a matter of increasing peasants' incomes and sustaining agricultural development. He emphasized: In order to solve the question, we should first establish the notion that rural surplus labor is an asset, not a burden. A strategic measure to put rural surplus labor to use and comprehensively develop the rural economy in the days to come is to take full advantage of the abundant manpower resources and vigorously develop labor-intensive industries. He said: All localities should adhere to the principle of putting the rural surplus labor to use right in the rural areas. Rural surplus labor should be resettled vocationally in multiple ways, such as vigorously promoting developmental farming, stepping up the construction of farmland capital construction projects, developing village and town enterprises, particularly the processing industry enterprises which use agricultural and sideline products as raw materials, and stepping up the construction of small towns. Various actions should be taken to step up work skill training for peasants and to improve their quality and working ability. At present, we should make great efforts to establish and improve rural labor employment service organizations, step up the vocational resettlement of rural surplus labor, and improve its management. Rural surplus labor should be guided into other employment in a rational, orderly, and appropriate manner. The departments concerned should study and formulate the supportive policies, manage the vocational resettlement of rural surplus labor as a special project, prepare the necessary funds for developing new undertakings, and promote the employment of rural surplus labor with the new undertakings.

The three-day national meeting on rural policies, laws, and regulations closed today. Vice minister of Agriculture Wan Baorui made a summing-up speech and arranged next year's major tasks with respect to rural policies, laws and regulations.

Ni Zhifur Urges Implementing Unfair Competition Laws

OW3010010594 Beijing XINHUA Domestic Service in Chinese 0626 GMT 28 Oct 94

[By Central People's Broadcasting Station reporter Li Tao (2621 3447) and XINHUA reporters Jia Fenyong (6328 1164 0516) and Fu Gang (0265 0474)]

[FBIS Translated Text] Beijing, 28 Oct (XINHUA)—The National People's Congress [NPC] Standing Committee organized and dispatched five inspection teams to Guangdong, Zhejiang, Liaoning, Henan, and Fujian Provinces during the months of September and October to inspect the enforcement of the "Product Quality Law," the "Law on Protecting Consumers' Rights and Interests," the "Law on Unfair Competition," and the "NPC Standing Committee Decision on Punishing the Offenses of Producing and Selling Fake or Inferior Quality Commodities" and examined its social effects. A meeting was held here today to report on the results of the inspection. At the meeting, Vice Chairman Ni Zhifur fully affirmed the achievement of inspection tours. He said: The entire society must make concerted efforts to implement these and other related laws. This will greatly promote and ensure the healthy development of the socialist market economy.

Speaking of the three laws and the NPC Standing Committee decision, which were enacted and promulgated since last year, Ni Zhifur said: The briefing indicated that over the last year, the people's congresses and governments at all levels and the departments concerned have done a tremendous amount of work to publicize and educate people in these laws and decisions, enact relevant local laws and regulations, step up law enforcement and its supervision, investigate and crack down on illegal activities and crimes, and strengthen the building of law enforcement ranks. Their work has helped enhance people's sense of market economic laws, raise the awareness of product quality among business people and producers, check the spread of fake and inferior quality commodities, and safeguard consumers' legitimate rights and interests. The enforcement of the laws has produced results.

Ni Zhifur said: There are still quite a few problems in implementing the three laws and the NPC Standing Committee decision. Laws are not fully observed or strictly enforced and violations of law are not investigated. The problem is still quite widespread and, in some areas, quite serious. Social and economic order, which is essential to developing a market economy, and the environment for fair competition are far from being established. The task of implementing these three laws and the NPC Standing Committee decision is still quite formidable. Ni Zhifur expressed the hope that the inspection will help affirm achievement and discover problems in various localities and that localities will further improve work to promote the implementation of the laws.

Agriculture Minister on Reducing Peasants' Burdens**XINHUA Domestic Version**

OW3110122894 Beijing XINHUA Domestic Service in Chinese 0920 GMT 30 Oct 94

[By reporter Chao Wen (6872 2429)]

[FBIS Translated Text] Beijing, 30 Oct (XINHUA)—The national working conference on reducing peasants' burdens—called by the Ministry of Agriculture, Ministry of Supervision, Ministry of Finance, State Planning Commission, and the State Council's Legislative Affairs Bureau—took place in Beijing today. Minister of Agriculture Liu Jiang noted at the meeting that, while noticeable successes have been achieved in reducing peasants' burdens, these achievements should not be overestimated; the problem of excessive levies having been imposed on peasants has not yet been completely resolved.

Because of the attention paid by the CPC Central Committee and State Council, as well as the coordinated efforts exerted by central and local departments, marked progress has been made in reducing peasants' burdens in recent years. Statistics show the removal of central and local levies and the reduction of certain fees in 1993 reduced peasants' burdens by 10.3 billion yuan, or 11.6 yuan per person; peasants' contributions to village and township operating funds declined from 7.88 percent of their per capita net income in 1990 to 4.68 percent in 1993; and there were noticeably fewer unreasonable levies. Meanwhile, the Ministry of Agriculture, Central Discipline Inspection Commission, and Ministry of Supervision also formed groups on many occasions to investigate and handle major, pernicious cases in various localities; and to investigate liable parties' legal responsibilities and punishments they deserve within the party and their units. This has safeguarded the peasants' legitimate rights and interests, and in the country, created the macro climate for reducing peasants' burdens and protecting their legitimate rights and interests.

However, feedback from various parts of the country shows that the efforts to reduce peasants' burdens are still handicapped by problems that cannot be ignored and the situation ahead remains formidable; the pressure for reinstating peasants' burdens has again increased. These problems can be observed from the fact that certain departments and local authorities still do not have a consensus of view toward the need to reduce peasants' burdens; some local authorities are disrespectful of the principle that peasants' contributions should be voluntary, do not consider peasants' affordability, are too eager for accomplishment in undertaking public projects, and have paid too much attention to administrative performance and have ignored policies; and that central authorities' policies and regulations for reducing peasants' burdens are unheeded in some areas, and the peasants in those areas have again to bear greater

burdens. Meanwhile, owing to incompatibility between readjustments of certain vested interests and structural reforms, the supervision over peasants' burdens has become more difficult and the control over peasants' contracted burdens is not adequately regulated.

In this connection, Liu Jiang pointed out: The assignments set for reducing peasants' burdens from now on are: Consolidating the results and guarding against a "rebound" of peasants' burdens; providing stronger regulatory and lawful supervision over peasants' burdens; and associating peasants' burdens with economic development to arouse peasants' production initiative and increasing peasants' incomes as quickly as possible through reducing peasants' burdens.

He Yong, member of the Central Discipline Inspection Commission Standing Committee and vice minister of supervision; Liu Jibin, vice minister of finance; Zou Xiangqun [6760 0686 5028], deputy secretary general of the State Planning Commission; and Xu Yulin, deputy director of the State Council Legislative Affairs Bureau also commented on how departments under their jurisdiction should do a better job in reducing peasants' burdens.

XINHUA English Version

OW3010123294 Beijing XINHUA in English 1205
GMT 30 Oct 94

[FBIS Transcribed Text] Beijing, October 30 (XINHUA)—Minister of Agriculture Liu Jiang called here today for more efforts to ease the heavy levies imposed on Chinese farmers.

Speaking at a three-day national meeting on reducing farmers' financial burden, the minister said excessively heavy levies imposed on farmers have not yet been removed and more work should be done to protect farmers' legitimate rights and interests and safeguard social stability in rural China.

He told the meeting, which was jointly held by five ministries, that leading officials in some departments and regions failed to realize the significance of lightening farmers' heavy levies, and the policies and measures made the central government have not yet been implemented in some areas, thus the levies on farmers' increased this year in some areas.

"Supervision over farmers' financial burden should be improved in order to prevent it increasing", the minister said.

The minister warned people responsible for seriously infringing on farmers' rights and interests by imposing heavy levies should be severely punished.

He told leading provincial officials in charge of agriculture that collectively-owned fund should be put under proper control so that farmers' money will not be misused.

State inspection groups will be sent later this year to rural areas to supervise local governments' efforts in reducing farmers' financial burden.

Also present at the meeting are leading officials from the ministries of supervision and finance, the state planning commission and bureau of legislative affairs under the State Council.

He Yong, vice-minister of supervision, urged its local departments to make greater efforts to ensure the implementation of central government's policies and measures concerning lightening farmers' financial burden.

The vice-minister promised to severely punish those who refuse to carry out the policies and measures, or those who continue imposing heavy levies on farmers while cheating their superiors or deluding their subordinates.

Deputy Bureau Chief Xu Yulin of Legislative Affairs under the State Council said his bureau will step up its efforts to draft, revise or abolish relevant regulations and documents in a bid to protect farmers' rights and interests.

Thanks to the efforts made by governments at all levels to abolish some levy items or reduce the amount of the money the farmers were required to hand over, about 10.3 billion yuan from the levies has been cut for farmers during the past four years, or about 11.6 yuan per capita, Agriculture Minister Liu Jiang said.

Last year, the average amount of the levies imposed on farmers by governments under county level accounted for about 4.6 percent of farmers' average annual net income, compared with seven percent in 1990.

According to a regulation made by the central government in 1991, levies imposed on farmers should not exceed five percent of a farmer's average annual net income.

Official Views Trade Partners Antidumping Measures

IIK3010081394 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 30 Oct-5 Nov 94 p 1

[By Sun Hong: "Dumping Penalties May Harm Relations"]

[FBIS Transcribed Text] A senior government official urged China's trade partners to re-examine discriminatory measures based on often erroneous dumping allegations.

"Anti-dumping measures based on unsound research will eventually harm trade ties and affect Chinese exporters' readiness to answer dumping charges." Zhang Yuejiao of the Ministry of Foreign Trade and Economic Co-operation (MOFTEC) told Business Weekly.

Zhang is Deputy Director General of the Treaty and Law Department at MOFTEC.

Last Sunday, the European Union announced a new anti-dumping measure of \$2,644 per ton on calcium exported from China. The action followed a series of anti-dumping measures taken by international importers against China.

Up to now, over 170 Chinese exports have been hit, including major exports like textiles, bicycles and other light industrial products.

"Many of the anti-dumping duties do not hold water and simply reflect bias towards China," Zhang said.

Not recognizing China's successful move to a market-based economy, some countries substitute figures from randomly-chosen countries to estimate the production value of Chinese goods to judge whether they are sold at a price lower than the production cost.

This method, which ignores the low-cost labour advantage of China, "is discriminatory in nature, unpredictable, unfair, and easily leads to erroneous conclusions," said Zhang.

"China is a market-economy country by legal and factual justification. And this has already won recognition by the World Bank," she said.

Ninety per cent of Chinese commodities today are free of government-set fixed prices, while production companies and foreign trade companies have become independent entities, responsible for their losses and gains. And since China took the opening policy many years ago, export subsidies have been abolished.

An anti-unfair-competition law issued this year stipulates that domestic enterprises found to sell below cost will face lawsuits and punishment at home.

And according to a Moftec paper issued in April this year, exporters charged with dumping by other countries must answer the lawsuit promptly. Those failing to respond will receive punishment ranging from suspending export quotas to revoking management licenses.

In a bid to eliminate cases of this kind, the Chinese Government put 13 sensitive export items under the quota and licence system in the first half of the year.

China also passed its own anti-dumping and anti-subsidy laws, which will empower the Chinese Government to defend domestic markets against dumping from other countries, said Zhang.

"Unfair anti-dumping measures some countries take against Chinese exports will harm the interest of their domestic importers and consumers."

"What's more, a decrease in foreign exchange earnings on the Chinese side will affect Chinese imports from these countries," Zhang said.

Despite fast-growing momentum, China's foreign trade accounts for only 2.5 per cent of global trade volume, "far from constituting a threat to other countries," Zhang said.

In China, a big proportion of exporters are foreign-funded enterprises, which suffer the blow immediately when an anti-dumping duty on Chinese exports is imposed.

"It's necessary to make foreign countries and enterprises understand that Chinese exporters are profit-oriented. The competitive prices our commodities boast, which stem from low production cost, reflect our comparative advantages instead of weak points."

"The Chinese Government is against dumping. But also we're against any discriminatory measures to abuse anti-dumping duties as a form of protectionism," Zhang said.

Other Countries' Support Sought To Rejoin GATT

HK3110071394 Hong Kong MING PAO in Chinese 31 Oct 94 p B1

[["Special dispatch": "Beijing To Seek Support From Other Countries If United States Blocks China's Reentry Into GATT"]]

[FBIS Translated Text] Shi Jianxin, deputy director of the Department of Affairs of the Americas and Oceania under the Ministry of Foreign Trade and Economic Cooperation [MOFTEC] warned that if the United States blocks China's return to the GATT, Beijing will seek the support of other countries in the world.

Meanwhile, Zhang Yuejiao, deputy director of the Treaty and Law Department of MOFTEC, said that any unjust antidumping measures taken against China will only give rise to China's retaliatory actions and thus harm the interests of the countries concerned.

Since China applied to reenter the GATT in 1986, the GATT's China Work Group has held 18 meetings without much progress and Beijing has consistently attributed the cause to U.S. obstruction.

Vice Premier Li Lanqing will fly to Washington on Thursday to hold another round of talks on China's reentry into the GATT. Shi Jianxin said: "Li Lanqing's visit is being conducted at a crucial moment. Stable Sino-U.S. relations are beneficial not only to both countries but also to the world at large."

Shi said: Li's visit will create a constructive atmosphere for the "pragmatic solution of relevant issues."

He also warned: If the United States obstructs China's reentry, Beijing will lobby for support among other countries.

In addition, Moftec official Zhang Yuejiao warned against other countries taking unjust antidumping measures toward China. She stressed: "The adoption of antidumping measures according to unfounded studies will eventually harm trade relations."

The European Union recently announced the collection of an antidumping tariff, i.e. \$2,644 per tonne of China-exported calcium; the Indian Federation of Cotton Mills had earlier accused China of illegally dumping braided fabrics on the Indian market; and, early this year, the United States accused China of avoiding export quotas through retransit and multiple shipping and threatened to reduce China's textile quotas by over a quarter.

Zhang pointed out: Over 170 kinds of China's export products, including textiles and other light industrial products, have been affected.

Copyright Piracy Situation: 'Intolerable'

HK3110093094 Beijing RENMIN RIBAO in Chinese
25 Oct 94 p 10

[Article by Li Guoqing (2621 0948 1987): "Copyright Pirates Are Held Legally Responsible"]

[FBIS Translated Text] On 7 September 1990, the National People's Congress [NPC] Standing Committee officially promulgated the PRC Copyright Law, which was implemented at the beginning of June 1991.

The copyright law has now been implemented for over three years, but lawbreaking activities that infringe upon copyrights have increased rather than decreased, with copyright piracy being most rampant.

I.

Pirated books have existed for a long time, and despite repeated efforts to wipe them out, they keep emerging.

In the past, books on social sciences were the most vulnerable once they became popular; nowadays, whatever books and periodicals become popular in the streets will be pirated.

So long as it is a hotly sought book, no matter how well the confidential work is done—one which resembles "a wall made by iron and bronze"—when original copies of the book are distributed, pirated copies will emerge at the same time, and sometimes pirated copies emerge even earlier than original copies and are distributed faster and farther.

When the original copies of *Ruins* by Jia Ping were distributed, over 10 kinds of pirated copies of the book were simultaneously distributed; just several days after a series based on Qian Zhongshu's *Walled City* was broadcast on television, more than 10 kinds of pirated copies of *Walled City* appeared overnight in bookstalls across the country, and the speed with which they did it was really astonishing. What was most intolerable is that in October 1993, one month after the official publication of *My Father Deng Xiaoping* by Xiao Rong (Mao Mao), pirated copies flooded the market; these copies were of poor quality and had numerous mistakes, including errors in the wording and sentence structure, as well as many political errors. By February 1994, over 100,000

pirated copies of seven types had been discovered, and the adverse effect they had could be called unprecedented.

Beijing Municipal Copyright Protection Association carried out a survey of 33 publishers, and found that from January 1991 to October 1993, 11 of the publishers noticed pirated copies of 36 kinds of books published by them. The pirated copies included popular literature and books for the general public, as well as books on vocational subjects such as an introduction to production technology.

At the same time as books are being pirated, periodicals cannot avoid being infringed upon. There are various kinds of pirated copies of *Girlfriend—Best Vol.* and *Reader—Selected Edition*, which have seriously undermined the good image of *Girlfriend* and *Reader*.

II.

When books and periodicals are being pirated by "masked killers," the phenomenon of copyright piracy in audio-visual business has also become "intolerable."

Sometimes, before the product of a copyright owner is sold in the market, pirated products have become available in the streets.

A total of 500,000 cassettes of Li Chunbo's *Xiaofang* have been issued, but the number of pirated cassettes is 1 million.

Guangzhou's Xinshidai Audio Visual Company distributed 60 kinds of cassettes in 1992, and a dozen have now been pirated. Before many wonderful movies are shown in the domestic market, pirated video tapes are on sale in the market.

Regarding piracy in the audio visual trade, the phenomenon of pirating compact discs (CDs) is the most serious. Suzhou City's Baobie Laser and Electronics Company Limited illegally produced and sold pirated editions of CDs, and unlawfully exported 121,000 pirated CDs during the period from March to May 1993, causing a very bad influence.

III.

In early 1993, a relevant department carried out a rough statistical exercise and found that at that time about 170 newspapers carried abstracts, excluding abstract columns in various major newspapers.

The popular practice of carrying abstracts is not something which is blameworthy, but an absolute majority of newspapers have never paid the authors any fees for the abstracts, and this sparks the topic of copyright piracy!

The problem arises because, according to the regulations of the copyright law, except when there is a statement by the author, newspapers may carry articles carried by other newspapers without authorization from the authors, but they should pay the authors' fees according

to the regulations. If the address of an author is unknown, the newspaper may pay the author through the China Center for Receiving and Forwarding Remuneration for Use of Copyright.

But the fact is that 98 percent of abstracts have not been paid for. From August 1992 to May 1994, the Receiving and Forwarding Center received some 1 million yuan in fees for forwarding to authors from nearly 200 newspapers, but this merely equals the total expenses payable by 20 daily newspapers for carrying one year's worth of abstracts.

Allegedly, when personnel from the Receiving and Forwarding Center approached the abstracts desk of a major newspaper to ask for outstanding payments of fees on someone's behalf, the reply was: "We have never had outlays in this regard."

IV.

When we carefully look into the roots of copyright piracy activities which keep emerging despite efforts to ban them, we find the following three reasons:

First, the foundation of the legal system is weak; the law enforcement contingent lacks the necessary manpower, material resources, and means; and the crackdown on pirates is neither severe nor precise. It is not severe because punishments for copyright piracy stipulated by the Copyright Law are too lenient, so it cannot deter criminals from pirating. It is not precise because very often only the retailers are hit, while the real manufacturers are safe, and the consequence is that the problem is alleviated for a while but the root of the problem is not removed.

Second, some unlawful elements engaging in copyright piracy in foreign countries, Hong Kong, and Taiwan have noticed the "vast and unlimited" cultural market in China, and they have penetrated the mainland and collaborated with some unlawful elements inside the country to defend their businesses.

Third, people in the country have a weak understanding of the protection of intellectual property rights, they lack a certain degree of analytical ability and ability to boycott, and some people, who "open their eyes wide once they see money," buy a large quantity of pirated products knowingly just to save a little money, thus promoting the spread of pirating activities from another angle.

What makes people relieved is that on 5 July 1994, the Eighth Session of the Eighth NPC Standing Committee adopted the "Decision on Punishing Crimes of Copyright Infringement." According to this law, copyright infringement activities for private purposes, which earn a relatively large amount of income in breach of the law and which involve other serious conditions, will be viewed as criminal activities, and the persons involved

will have to shoulder civil responsibility and administrative responsibility, as well as criminal responsibility; they will be fined, detained, and imprisoned for not more than seven years.

This is undoubtedly good news for the broad masses of copyright owners and publishers, whereas for a large number of pirates, it is undoubtedly the sword of Damocles.

Official on Copyright Protection

OW3010142694 Beijing XINHUA Domestic Service in Chinese 2123 GMT 27 Oct 94

[FBIS Translated Text] Beijing, 28 Oct (XINHUA)—By the end of October, the two international copyright pacts, the "Berne Convention for the Protection of Literary and Artistic Works" and the "World Copyright Pact," have been in effect in China for two years. In his speech marking this event, State Copyright Administration Director Yu Youxian said: China made marked progress in copyright protection in the past two years. If we call implementation of the "Copyright Law" a milestone of New China's copyright protection efforts, then being a member of international copyright pacts represents another important landmark for China in the copyright protection field.

Yu Youxian gave an overview of China's new progress in copyright protection. He said: China has set up a basic legal system for copyright protection. In September 1992, the State Council promulgated the "Provisions for Implementing International Copyright Treaties." In early 1993, China signed the "Pact for Protecting Producers of Audio Recordings Against Duplication Without Permission." Through this move, copyright owners' rights are more effectively protected and people involved in major copyright infringement cases are punished. In July this year, the eighth meeting of the Eighth National People's Congress [NPC] Standing Committee adopted the "Decision on Punishing Crimes of Infringing Upon Copyrights." In September, the State Council promulgated the "Regulations Governing Audio and Video Recordings." The promulgation and implementation of these regulations and provisions enabled China to join other developed countries in formulating copyright protection laws and regulations.

Moreover, China made progress in judicial work for copyright protection. Since 1993, supreme courts and some intermediate courts in Beijing, Shanghai, Guangdong, Fujian, and Hainan set up more than 10 intellectual property rights [IPR] trial courts. Some intermediate courts of cities where provincial, autonomous regional, and municipal governments are located set up special collegiate benches to deal with IPR cases. Trying IPR cases in such a centralized way is of special significance to China, a country that started quite late in copyright protection.

At the same time, China has extensively set up copyright administrative organs in the past two years. Twenty-eight provinces, autonomous regions, and municipalities

have set up copyright bureaus. These organs play an important role in safeguarding copyright owners' legitimate rights and interests, in mediating disputes, and in dealing with and investigating serious copyright infringement cases.

Yu Youxian added: The Chinese Government attaches importance to the publicity and popularization of the Copyright Law and has made preliminary progress in this field. The publicity and popularization of the Copyright Law has been placed in the second five-year plan for law popularization and become a day-to-day job for law popularization personnel. Especially in May and June this year, with support from relevant central departments, the State Copyright Administration cooperated with relevant organs and jointly launched a nationwide campaign to publicize the Copyright Law. The campaign helped reinforce people's awareness of protecting copyrights and accelerate the Copyright Law's implementation.

He pointed out emphatically: While making extensive efforts in publicizing the Copyright Law, copyright administrative organs at all levels also strengthen their efforts in cracking down on pirating and investigating copyright infringement cases. According to incomplete statistics released by relevant departments, more than 300 million pirated books and 480,000 video cassettes were confiscated in 1993. In April this year, copyright administrative organs in Guangdong, Jiangsu, and Beijing cooperated with local cultural, broadcasting and television, industrial and commercial, and public security organs and waged large-scale campaigns to check pirated audio and video recordings (laser discs in particular), thus striking a severe blow at illegal duplication and sales of pirated products.

Yu Youxian gave an account of China's rapid progress in its copyright service system after it joined international copyright conventions. At present, the State Copyright Administration and local copyright administrative organs set up and perfected various service institutions, including copyright agencies, copyright management companies, and organs that accept and transfer fees for using copyrights. By this September, the State Copyright Administration will have approved the establishment of 19 copyright agencies. Since this year, the Chinese Music Copyright Association has become a member of the International Confederation of Societies of Authors and Composers (CISAC). In addition, the State Copyright Administration started to assign organs to take charge of copyright authentication. These efforts have enabled China to legally use foreign works and vice versa.

Of course, we know that China is still faced with some problems in copyright protection. In conclusion, Yu Youxian said: Some unlawful people illegally duplicate and sell a large number of various kinds of books, audio and video cassettes, laser discs, and computer software to reap staggering profits. Their illegal acts infringe upon the legitimate rights and interests of copyright owners at

home and abroad, shatter socialist cultural markets, bring negative impact on spiritual civilization construction, and affect China's scientific and cultural exchanges and economic cooperation with other countries. Therefore, cracking down on pirating activities is an important mission of the State Copyright Administration and copyright administrative organs at all levels at present and in the future. The adoption of the "Decision on Punishing Crimes of Infringing Upon Copyrights" at the July NPC Standing Committee meeting provided a new and powerful weapon for cracking down on pirating activities.

Yu Youxian said: Since China signed international copyright pacts, it is able to protect Chinese and foreign copyright owners' rights and interests in accordance with international norms. The State Copyright Administration will do its best in copyright protection and make continuous contributions to scientific and cultural exchanges between China and other countries and to human civilization.

'Harsh Demands' on Intellectual Property

HK3110101194 Beijing RENMIN RIBAO in Chinese
28 Oct 94 p 6

[("International forum" column by Shan Ren (1472 0086); "Cooperation Needed To Protect Intellectual Property Rights")]

[FBIS Translated Text] The protection of intellectual property rights (that is, patents, copyrights, and trademarks) is a popular topic in economics and trade in the contemporary world. Through protecting the legitimate rights and interests of the owners of rights and interests, the normal economic and trade order is safeguarded, and invention and innovation is encouraged, therefore, it is a very important issue. On the other hand, protection of intellectual property rights is closely related to the level of economic development in a country. At different levels of economic development, the degree of perfection in the protection of intellectual property rights cannot be completely the same.

However, for a certain period of time, some developed countries have used the intellectual property rights issue as a trade weapon to deal with the developing countries. This is obviously unfair. First of all, such a practice lacks a sense of history, because it was not until the end of the 19th century that the developed countries established their system of laws on intellectual property rights after a development period of as long as 100-200 years, for example, the Paris Convention on patent rights was established in 1883, and the Berne Copyright Convention regarding copyrights was established in 1886. Furthermore, not until the World Intellectual Property Rights Organization was founded in 1967 did the protection of intellectual property rights really have an international sense. Therefore, the protection of intellectual property rights is a development process which has taken a long time in history. In addition, the history of industrial development in the developing countries is

very short, their economic management is backward, their economic legislation is imperfect, and their level of protection of intellectual property rights is comparatively low. The developed countries should recognize this actuality. They should also recognize that the developing countries, in order to develop foreign trade, have already adopted a very positive attitude toward the protection of intellectual property rights. Many developing countries have joined the World Intellectual Property Rights Organization, and in some of these countries the speed with which they have established systems of law on the protection of intellectual property rights has been much faster than the developed countries in the past. Therefore, the developed countries should look at this issue from a historical perspective, should not raise excessive demands on the developing countries, and should not use the issue as an excuse to restrict their development.

We must also look at the issue from another angle, that is, the problem of the protection of intellectual property rights in the contemporary world does not exist only in the developing countries; it also exists in the developed countries. According to a report prepared by the International Chamber of Commerce, the global annual trade volume in fake products has reached \$100 billion, of which a large portion has been made by illegal manufacturers in the developed countries. Therefore, asking the developing countries to solve in a short time a problem which has not been solved after a century of industrial development and legal system building in the developed countries is obviously unrealistic.

Indeed, the protection of intellectual property rights is an important issue; however, it is also a complicated one. To tackle it step by step, close cooperation is needed from various countries in the world. The developing countries should actively and seriously create conditions for drawing closer to the prevailing international practice, and developed countries should fully understand the actual conditions in developing countries, adopt a forward-looking attitude, and not just raise harsh demands.

'Roundup' on IPR Protection

OW3010135594 Beijing XINHUA Domestic Service in Chinese 2146 GMT 28 Oct 94

[("Roundup" by reporter Zhang Xuequan (1728 1331 0356)]

[FBIS Translated Text] Shanghai, 29 Oct (XINHUA)—A good momentum has appeared in China's progress in protecting intellectual property rights [IPR] after years of reform and opening up. IPR protection is work followed with interest by the whole world. The masses' consciousness of protecting intellectual achievements has been greatly enhanced. A well-organized network of protection has evolved at both the central and local government levels. China's achievements in IPR protection has caught the attention of the world.

According to material provided by a recent Shanghai international symposium on IPR protection, China has established and improved a system for offering IPR protection through legal channels within a short time. The Trademark, Copyright, and Patent Laws and the computer software protection regulations, which were enforced in recent years, have completed their convergence with international practice after revisions, amendments, and continuous improvement. China's Trademark Law has a relatively high starting point. At present, while carefully studying developed countries' trademark systems, China is offering protection to the exclusive right to use a trademark and extending its protection umbrella to service, certification, and collective trademarks in the light of national conditions; in respect of protecting the exclusive right to use a trademark, it has adopted stronger measures for law enforcement and stepped up its crackdown on violations by handing down stern punishment to criminals whose counterfeit registered trademarks are particularly abominable and cause particularly serious consequences. They fully show the seriousness of China's legal system and its resolute determination to crack down on the crime of counterfeiting a registered trademark. China's Patent Law went into effect in 1985 and went through amendments for more than two years after that. It extends the protection period for patent rights; the protection period for invention and exterior visual design patents is extended to 20 and 10 years respectively. The law expands the scope of patent right protection; it offers protection to chemical substances and medicines. Meanwhile, the law extends the validity of patents for methods to the products directly obtained from such methods and includes additional provisions on the relevant right to import them, thereby making the level of China's patent protection conform to the international trend. China basically completed the legislation of a modern patent law in a brief period of more than 10 years. Compared to the world patent system that has a history of several hundred years, China's Patent Law cannot but be called a miracle.

It all depends on human effort. China has established relevant organizations and a crack work force to step up IPR protection. At present, some 50 local and more than 40 state patent management organs have been set up across the country. In addition, there are more than 500 patent agencies and 63 patent papers service centers in China, as well as local agencies of the China Patent Office in such cities as Shanghai, Nanjing, Jinan, Changsha, Shenyang, and Chengdu. They are playing a more and more important role in mediating patent disputes, publicizing the Patent Law, raising the people's awareness of patent protection, and training personnel. To promote copyright protection, some protective organs have been established, such as the Copyright Administrative Organ, the Musical Copyright Association, and the China Copyright Agent Corporation, which are playing a role in publicity and education and in mediating disputes and imposing administrative penalties. China has created a "four-in-one" trademark protection

system offering administrative protection by the trademark administrative organ, judicial protection by the judicial organ, self-protection by trademark registers, and social protection by consumers. In China's administrations of industry and commerce at various levels, there are more than 7,000 staff members handling trademarks and some 300,000 staff members handling the protection of fair competition. Some large and medium enterprises have set up trademark offices manned by full-time staff members. So, a well-organized protective network covering both the central and local levels has been created. Besides, market investigation is conducted regularly, and complaints are investigated and handled quickly.

China has made great progress in handling IPR disputes and in combating the crime of IPR violation. The departments concerned have adopted effective measures and many successful practices in handling patent disputes. As of the end of 1993, the patent administrative organs accepted and handled some 2,200 patent dispute cases and settled more than 1,700 of them, while the courts accepted and heard some 1,900 such cases and settled more than 1,500. Some of those cases involved foreigners. The relevant laws were enforced and law violators were dealt with in this regard. With a well-organized protective network, China has investigated and handled more than 100,000 trademark violation cases since the Trademark Law became effective in 1982. Most of the violations were discovered during market investigation. The death sentence has been imposed on some extremely serious offenders, such as ring leaders involved in manufacturing and selling fake Maotai wine, fake Hongtashan-brand cigarettes, fake chemical fertilizer, and fake medicine that caused extremely bad consequences. In trademark protection, the departments concerned treat Chinese and foreign enterprises equally. Juershu [name as transliterated], deputy director general of the World Intellectual Property Organization, has said in praise that all other countries admire China's achievements in trademark work. Mass [name as transliterated] Company and Coca-Cola Company of the United States, Toshiba Company of Japan, and Pierre Cardin Company of France have written letters of thanks or sent silk banners to relevant departments of China in appreciation of its effective protection of their registered trademarks. This shows that our country has taken a very gratifying step in IPR protection.

The effective protection has aroused enthusiasm among intellectuals and other working people for invention and creation. In 1985, the year in which the Patent Law was put into force, the number of patent applications exceeded 10,000 in China. Since then, the number has been increasing steadily at an average annual rate of 24 percent. As of August 1994, 410,000 patent applications have been made. Of those applications, 86.6 percent were domestic applications, while the rest were from 70 other countries and regions. U.S. and Japanese applications exceeded 10,000 each, while applications from

Germany, France, Britain, Switzerland, the Netherlands, and Hong Kong exceeded 2,000 each. While there were less than 33,000 registered trademarks in China in 1979, the figure rose to 450,000 as of September 1994, making China one of the top 10 in the world in terms of the number of registered trademarks. The monthly increasing number of foreign trademarks registered in China indicates that China's adequate patent system and trademark protection system not only have aroused enthusiasm of inventors and producers at home, but also have become more attractive to foreign countries.

Official Says Book Piracy Decreasing

OW2910103694 Beijing XINHUA in English 0945
GMT 29 Oct 94

[FBIS Transcribed Text] Beijing, October 29 (XINHUA)—A spokesman for the State Copyright Administration announced here today there is a sharp decrease in the piracy of foreign books.

"Free translation or publication of foreign books are generally boycotted by publishers and ordinary people nowadays," said Chen Zhaokuan, of the administration.

And the courts are handling suits brought by foreigners in a serious manner. Some major cases will soon be settled, he said, citing the case involving the U.S. Disney Company and a Chinese publishing house.

He attributed the success to China's joining several international copyright conventions and a series of crackdowns on illegal publications.

In the first half of this year, the country has seized some six million illegal books.

But Chen said that piracy of books is still more rampant than that of audio and video tapes and computer software.

"There are a few underground publications manipulated by individual book dealers," he said.

The official said that a new round of campaign to wipe out copyright infringement has started, and a number of culprits are due to be punished.

According to Chinese law, the maximum term of imprisonment for copyright violators is seven years.

The government's stand is firm, Chen said, adding that the State Council and the National People's Congress have made several decisions on intensifying intellectual property protection.

On the other hand, he said, the administration has found some Chinese books are in circulation in foreign markets without the approval of the copyright owners.

Also, when a Chinese publisher appealed for authorization from a foreign copyright owner, he usually received no answer, he added.

"It is imperative to build up a normal channel for the transaction of book copyright," he said.

"Foreign publishers ought to have a good understanding of the potentiality of China's book market as well as its publishing capacity. I assure they will win big profits," he said.

There are more than 500 book publishing houses in the country, who turn out 900,000 kinds of book a year. Each kind of book usually has thousands or even millions of copies.

Article Views 'New Policy' on Auto Investment

HK3110092194 Beijing ZHONGGUO XINWEN SHE in English 0549 GMT 29 Oct 94

[FBIS Transcribed Text] Beijing, October 29 (CNS)—Demand of automobiles in market of China will increase by three-fold or to 3 million by the year 2000, relevant department estimated [sentence as received].

Believing that China will not change its opening policy, automobile makers in various countries are actively engaging in investment in China, vying to occupy such a market in China.

Chinese enterprises have become much clever. They conduct business negotiations with several foreign firms at the same time. Therefore they will obtain better cooperative terms through putting automobile companies from different countries under competition one another since European and American firms have been doing their utmost and competing one another fiercely for entering the Chinese Market, said Honda Motor Co. of Japan, which has been cooperating with Hubei Dongfeng Automobile Company since July this year.

To limit the number of foreign automobile investors, China in the past stipulated that only eight automobile plants were allowed to engage in cooperation with their foreign partners, including three for producing large vehicles, three for small and two for light. Such a policy has recently been changed so that automobile plants will be allowed to absorb new foreign investment after 1996 if their car-sale rate and their annual output meets set requirements. This new policy has been taken seriously by automobile manufacturers in various foreign countries.

Among Japanese companies preparing to invest in China, besides Honda and Mitsubishi being already engaged in cooperation with the China North Industrial Corporation, Nissan and Mazda have also started their negotiations respectively with the Nanjing Automobile Manufacturing Plant and the Fujian Fude Automobile Plant. European enterprises earlier entering the Chinese car market have started to increase their investment recently, whereas the three biggest automobile companies in the United States have begun to invest in this industry in China. Obviously China has now become an arena for automobile dealers of various countries to

compete one another. At present, Japanese car-makers alone have made contacts with more than 100 medium and small-sized Chinese automobile plants across the country. In view of China's plan to set up several large and medium-sized automobile industrial groups before 2000, foreign automobile industrial circles have focused their eyes on the Chinese market in the future.

Fixed Assets Appraisement To Start in 1995

OW3010131094 Beijing XINHUA Domestic Service in Chinese 0311 GMT 25 Oct 94

[By reporter Ding Jianming (0002 1017 6900)]

[FBIS Translated Text] Beijing, 25 Oct (XINHUA)—A pilot project to appraise fixed assets and circulating funds has by and large concluded this year and fixed assets and circulating funds appraisement will unfold nationwide next year, this reporter learned from the Finance Ministry Office for Appraisal of Fixed Assets and Circulating Funds [OAFACU].

It has been learned that to obtain a clear picture of the assets of government departments, state institutions, and state-owned enterprises and lay a foundation for transforming the operational mechanism of state-owned enterprises, China launched, under a State Council plan, a pilot project to appraise fixed assets and circulating funds in 1992. Under the project, state-owned enterprises have inventoried their assets and capital; defined property rights; re-evaluated their fixed assets; clarified, by and large, the property rights relationships of enterprises; and conducted new registration of enterprise property rights. As of now, nearly 160,000 state-owned enterprises and institutions across the nation, roughly 70 percent of the total, have carried out assets appraisal. Of those, 124,000 industrial and commercial enterprises and 7,500 banking institutions conducted appraisal this year. Some 20 departments, including the Railways Ministry, Agricultural Bank of China, Water Resources Ministry, China Textile Federation, and China National Tobacco Corporation, have conducted appraisement industrywide or among all their affiliated units. For the most part, fixed assets appraisement has been completed among the nations' state-owned large and medium enterprises.

According to an OAFACU official's briefing, marked progress has been made in appraisement in recent years. First, we have gained a clear idea of the amount of our assets. Localities and departments have determined the amount, distribution, and structure of state-owned assets and the returns on these assets, thereby providing the data needed by government departments at all levels to step up macroeconomic administration and readjust the economic structure. Second, we have made initial progress in clarifying enterprise relationships and in solving problems and disputes among state-owned enterprises arising from poorly defined property rights; clarified some state-owned enterprises' property rights and other interests in joint ventures, joint corporations,

shareholding, or collective enterprises; standardized the property right relationship among enterprises of different ownership; and prevented loss of state assets. Moreover, we have enhanced enterprises' capacity for sustained development. By way of re-evaluation of state-owned assets, we have brought the book value of the primary assets used by enterprises close to their current real value, thereby solving, to a considerable extent, the problem of faulty cost calculation of products among enterprises. This has also enabled enterprises with the necessary conditions to raise the depreciation rate, upgrade their technology, and increase their capacity for product development. Fixed assets appraisal has also helped clarify debts receivable and debts payable and set the stage for enterprises to transform their operating mechanism. According to statistics, the total assets of the 124,000 industrial and commercial enterprises that completed assets appraisal this year stand at 4.137 trillion yuan; their total liabilities stand at 3.1047 trillion yuan; their average rate of debts is 74.3 percent; the ownership interest stand at 1.0321 trillion yuan, and the average profit rate on capital is 7.4 percent. Reappraisal of the 124,000 industrial and commercial enterprises has indicated that the value of their fixed assets has risen, on average, by 38 percent, or 590 billion yuan in all. If all enterprises have the capacity to enter authentic operation, we would be able to get another 40 billion yuan a year in depreciation expenses. By checking up on assets and capital, we have initially uncovered assets worth as much as 23.9 billion yuan being used by other enterprises, of which assets worth 13.23 billion yuan are being used without compensation.

We have learned that assets and capital appraisal for 1995 will start in April. The appraisal covers all state-owned enterprises as well as public institutions practicing enterprise management within China's borders, domestic banking enterprises in all categories, credit funds managed by government departments at various levels, and offshore enterprises invested by departments or localities or offshore institutions set up by them. It is necessary to check up on the original investment and interests in joint corporations, joint investment, shareholding, and collective enterprises or units inside or outside the borders invested or set up by the above-mentioned enterprises and institutions. Our goal is to complete, in an all-round manner, an inventory of the assets and capital of state-owned enterprises under the jurisdiction of the various localities and departments, bring the book account in line with the actual assets, and compile an overall balance sheet of the nation's state-owned operating assets; we will also verify the amount of assets possessed by enterprise legal entities and lay the foundation for enterprises to transform their operating mechanisms and establish standardized mechanisms for capital management and evaluation of returns on investment; facilitate the rational flow of enterprises' production factors, rationalize the structure of capital, and improve the operating efficiency of state-owned assets on the basis of a comprehensive assessment of assets;

establish a trigger price mechanism for state-owned lands, promote accurate appraisement of enterprises' financial strength and create conditions for improving the management and rational allocation of enterprises' state-owned land resources. Meanwhile, efforts will be made, within the scope state policy, to help enterprises alleviate burdens left over from history and lay a good foundation for the establishment of a scientific and standardized mechanism for statistics and supervision of state-owned operating assets.

New Custom Duties on Incoming Passengers' Articles

OW3110125994 Beijing XINHUA in English 1247
GMT 31 Oct 94

[FBIS Transcribed Text] Shenzhen, October 31 (XINHUA)—China has adjusted customs duties on some articles brought in by passengers, announced the General Administration of Customs recently.

The adjustment will reflect the changing rate of foreign exchange, market demands and the types of luggages and mails passing through customs, customs officials said.

The adjusted custom duties will be targeted on television sets, refrigerators, air-conditioners, audio and video appliances, washing machines, cameras, slide projectors, electric fans, vacuum cleaners, calculators, cosmetics, garments and other cotton products, according to the new regulation.

Defining Property Rights 'Essential' to Reform

OW3010084194 Beijing XINHUA in English 0828
GMT 30 Oct 94

[FBIS Transcribed Text] Haikou, October 30 (XINHUA)—An international seminar held here concluded that clearly defining proper rights is essential to China's reform on its state sector aimed at establishing a modern enterprise system.

Participants agreed that the establishment of a modern enterprise system should aim to best allocate resources. Reform measures should be taken as early as possible.

More than 100 people attended the seminar on the reform of China's state enterprises between October 24 and 26 in this capital city of the island province of Hainan.

Participants came from China's State Commission for Restructuring the Economy and other ministries, Chinese state-owned enterprises, Germany, Hungary, the Netherlands, Australia, the United States, Chile, the Republic of Korea, as well as Hong Kong and Taiwan.

Experts from the United Nations Development Program (UNDP) and International Monetary Fund (IMF) also attended the seminar.

Major issues discussed at the seminar included the transformation of state enterprises into corporations,

reform of property right system, government functions related to its relations with enterprises, the management of state property and the relationship between enterprises and banks.

The participants noted that with the ongoing reform has enhanced the vitality of the state-owned enterprises, improved their technology and equipment and brought about the growth of China's basic industries as well as energy and raw material industries. Especially, the state sector has effectively supported the development of the rural economy and non-state sector.

But they pointed out that there are still many problems with the state-run enterprises. With the development of the market economy and the booming of township and overseas-funded enterprises, these problems have become more outstanding.

Meanwhile, the progress of reforms concerning finance, taxation, foreign exchange, foreign trade and pricing has made it more urgent to make clear the property right of state enterprises and set up a modern enterprise system.

Referring to the deep-rooted problems with the state sector, the participants cited irrational structure and low efficiency in disposing resources, which have led to loss-making state enterprises, drainage of state assets and waste of resources. The root cause of this situation is the unclear property rights.

Chinese and foreign participants suggested that different businesses should be treated differently. In the first stage, reform should be focused on competitive big enterprises. Some of them should absorb overseas funds and other properties. Those without future should go bankrupt and their leftovers should be auctioned at property rights exchange markets. Small enterprises should be leased and contracted to individuals.

Government Suspends Rice, Rapeseed Futures Trading

HK3010081894 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 30 Oct-5 Nov 94 p 4

[By Xiao Jie: "State Orders Suspension Of Rice, Rapeseed Futures"]

[FBIS Transcribed Text] Suspension of rice and rape oil futures trading by the central government is expected to deal a sharp blow to the Shanghai Cereals and Oil Exchange (SCOE), the bulk of whose trade volume depends on the products.

Exchange officials and dealers responded promptly and promised to fully obey the decision.

In an effort to curb surging rice and rapeseed oil prices on both the futures and spot markets, which has been fuelled by "excessive speculation in futures trading," according to the government, Beijing has held up futures transactions in polished round-grained rice and rapeseed

oil, according to Zhu Li, spokesman for the China Securities Regulatory Commission (CSRC).

"Grains and oil are an important commodity affecting the national economy and people's livelihoods—rising price tags run counter to the country's price-stabilizing measures," Zhu told Beijing media last Friday.

Halting the rape oil futures—already a small listing on the SCOE—is not likely to exert any large influence over the exchange, according to deputy president Ma Rong-qin.

But suspension of rice trading will "affect the exchange seriously," he said, since rice contracts account for more than 85 per cent of the total trading volume of the SCOE.

"However, as we understand that the control of grain prices is key to the government's anti-inflation drive, the SCOE fully approves the decision and will act cooperatively," Ma affirmed.

"We will be subordinate to the overall interests," he added.

According to Ma, the exchange has taken measures to restrict the holding of 1994 rice contracts and will not launch new listings of 1995 contracts.

Traders will be urged to devolve their positions as soon as possible, Ma said.

Meanwhile, the exchange will focus efforts on promoting trading in other products, according to Ma.

"Soybeans are expected to take the place of rice (as a key listing)," Ma said.

Some local dealers called the government's decision to stop the grain futures as "rational."

"Grain futures trading should be conducted within a complete legal framework. However, the fact is that speculation in futures has spurred price hikes in spot trading, which in turn pushed up the futures price."

The China Securities News quoted some local brokers as saying, "The vicious cycle is detrimental to the government's painstaking efforts in bringing down inflation," it added.

State Relays Bank Opinions on Financial Supervision

OW2910051994 Beijing XINHUA Domestic Service in Chinese 0927 GMT 26 Oct 94

[FBIS Translated Text] Beijing, 26 Oct (XINHUA)—The State Council recently approved and transmitted the opinions of the People's Bank of China [PBC] on strengthening the supervision and management of financial institutions, and urged all localities and departments to earnestly implement them.

The State Council, in approving and transmitting the opinions, pointed out: Supervision and management of

financial institutions are wide-ranging and strongly policy-oriented tasks. Active support and coordination from all localities and departments are required for the PBC to perform its duty of supervising and managing financial institutions. When dealing with problems that surface in the process of screening and reorganizing financial institutions, all localities and departments shall observe relevant state provisions in order to promote safe and effective financial system operations.

In the "Opinions on Strengthening the Supervision and Management of Financial Institutions," the PBC pointed out: The PBC is a department authorized by the State Council to handle financial matters. It performs the duty of reviewing and approving plans for establishing, modifying, and dissolving financial institutions in accordance with the law. One must obtain the PBC's approval before establishing a financial institution or starting a financial business. Financial businesses operating without permission and authorization shall without exception be regarded as illegal operations, and shall be handled according to law. No units or individuals shall interfere in the management, supervision, investigation, and handling of financial institutions by the PBC in accordance with the law.

The PBC "Opinions" stipulated: As required by law, financial businesses operating without the approval of the PBC and financial business licenses issued by the bank, but with the permission of localities and departments which have acted on their own, shall undertake investigative and remedial actions themselves. If it has been determined that their operations are necessary, new applications shall be submitted to the PBC for approval.

The "Opinions" pointed out: PBC branches and subbranches, which are agencies of the PBC head office, shall strictly operate within the power entrusted them by the PBC head office to approve the establishment of financial institutions, and shall abide by the relevant PBC provisions to seriously screen financial institutions that have been set up in violation of regulations and ultra vires. Securities organs run by financial departments must sever their official ties with the departments as soon as possible. Using a set of unified standards, local PBC branches and subbranches shall examine and verify applications by securities organs whose operations meet our requirements, are truly effective, and are run by financial departments in provinces, autonomous regions, municipalities directly under the central government, and cities with provincial-level economic decision-making authority, and submit their applications for approval to the PBC head office so as to turn the organs into standardized securities companies that are subject to the supervision and management of the PBC. Post offices which handle savings deposits of local residents must fulfill the conditions for setting up savings agencies, and obtain their financial business licenses. A rural cooperative foundation is an organization which serves the agricultural sector and peasants of a community by providing mutual aid in the form of funds. It is not a

financial institution. The Ministry of Agriculture shall be responsible for formulating relevant policies, laws, and regulations to guide the management and development of rural cooperative foundations. Local administrative departments of agriculture shall be put in charge of rural cooperative foundations. The PBC shall supervise the business activities of rural cooperative foundations in accordance with the law, and collaborate with administrative departments of agriculture to handle savings and loans business conducted in violation of regulations.

The "Opinion" stated emphatically: The PBC, a department put in charge of pawn business, shall be responsible for the examination, approval, and business management of pawn agencies, and shall screen and regulate existing pawn agencies in accordance with relevant state provisions. Pawn agencies which conduct banking business outside the scope of their business shall be ordered to undergo rectification within a certain time frame. The PBC shall also collaborate with relevant planning departments of the same level to strengthen management of bonds and lottery tickets issued by enterprises, and shall be responsible for examining and approving applications for bond flotation that falls within state plans for flotation of enterprise bonds. Unless stipulated otherwise by the State Council, one is without exception prohibited from raising funds from society and selling lottery tickets without the permission of PBC. Unless approved by state-authorized organs, all party and government organizations, military units, organizations, and other public undertakings covered by the state budget and policy-oriented state financial institutions shall not invest in shares of financial institutions. The purchase of financial institutions' shares by local financial departments, industrial and commercial enterprises, and legal financial institutions shall meet the conditions and observe the investment ratio set by the PBC. All financial institutions shall pay taxes and operate according to law, and strictly observe relevant provisions of the PBC.

State To Tighten Financial Discipline

HK2810150694 Beijing ZHONGGUO XINWEN SHE
in English 1244 GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (CNS)—According to sources from the State Planning Commission, the financial work in China next year will focus on the curbing of inflation and controlling of credit scale.

The sources say that, in order to keep the current high inflation under control within this year and guarantee this year's overall balance of financial revenue and expenditure, the Chinese government will tighten its financial discipline, continue its rectification of the financial order, speed up reform of the financial and taxation system and promote reform of the banking and monetary [as received] system in a stable way in the country.

The Commission will focus its financial administrative work on the following matters next year:

On the scale of investment, regarding to the national strength and the economic development at present in the country, the state will control the investment in fixed assets within one third of its gross national product (GNP) to avoid the scale of investment surpassing the national strength and the rising of price.

On financial and taxation policy, the urgent task is to study the policy on personal income tax and the detailed measures to reinforce administration over collection of such a tax in a bid to ease the contradiction caused by the unfair social income distribution. Study on the mechanism of guaranteeing tax income of the central government will be put underway in order to promote a parallel growth of tax income of the central and local governments. To be put under deliberation also include measures for cracking down activities of tax evasion and cheat.

New financial resources will be tapped. Relationship between short-term and long-term interests will be well handled. Reasonable allocation of resources and financial balance will be put under study.

Solutions will be found to problems in financial credit management in the country, such as the raising of capital with high interest rate, illegal issuing of short-term loans among banks and financial institutions' direct engagement in speculation in the real estate sector, which has jeopardized the state industrial policy.

In addition, in order to tackle the capital shortage problem enterprises face, financial institutions and valuable securities will be put under more strict supervision and administration.

Beijing To Stabilize Renminbi Foreign Exchange Rate

HK3010081094 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 30 Oct-5 Nov 94 p 1

[By Guan Tao: "Renminbi Achieving Stability"]

[FBIS Transcribed Text] China is expected to fulfill the goal of stabilizing the renminbi's foreign exchange rate this year.

An official with the State Administration of Exchange Control said inflation fighting has become the top task for the financial sector in the final months of this year, creating a better financial environment for the stability of the renminbi's rate.

Meanwhile, increased state foreign exchange reserves, approaching \$40 billion, has enhanced the central bank's ability to stabilize the rate through market operations.

China this year abolished its dual-rate system and introduced a unified, managed floating exchange rate system based on market supply.

During the first nine months of this year, the renminbi's foreign exchange rate stabilized and even enjoyed a moderate appreciation.

Since the interbank foreign exchange market went into operation in April, the weighted average price of one US dollar has declined from 8.70 yuan to 8.53 yuan on September 30.

The renminbi's appreciation against foreign exchange comes at a time when domestic inflation remains high.

During the first three quarters of this year, the domestic consumer price index and retail price index rose by 23.3 and 20.9 per cent respectively, which actually resulted in devaluation of the renminbi on the domestic market.

For that reason, some wonder whether the current foreign exchange rate is reasonable.

To this puzzle, the exchange control official's answer is, "the appreciation of the renminbi's rate is quite normal."

He explained that the renminbi was officially devalued by 50 per cent at the beginning of the year when the country replaced the official rate of 5.8 yuan per dollar with the market rate of 8.7 yuan.

That devaluation is much higher than the fluctuation of other economic indices at that time, which leaves room for the renminbi's rebound.

And since the renminbi is only conditionally convertible in current accounts, domestic inflation cannot be reflected completely in the foreign exchange rate through converting currencies.

The official said the renminbi's appreciation in the first nine months is due in part to better international balance of payments.

During the first nine months of the year China enjoyed a \$1.38-billion surplus in its foreign trade.

The country's exports rose by 29.7 per cent, much higher than the import's rise of 15.2 per cent.

And the actual flow of foreign capital in the first half of this year leapt 55 per cent.

Banks are buying more foreign exchange than they're selling to enterprises and institutions, which has ensured the supply of foreign exchange.

And the central bank has been actively involved in the market to balance the demand and supply of foreign exchange.

Economist: Bankruptcies Not To 'Destabilize' Society

HK2810145094 Beijing ZHONGGUO XINWEN SHE in English 1229 GMT 28 Oct 94

[FBIS Transcribed Text] Beijing, October 28 (CNS)—Renowned Chinese economist, Mr. Cao Siyuan, said

recently that, with the reform emphasis placed on state-owned enterprises, China would see more and more enterprises go bankrupt. However, implementation of the bankruptcy system would not destabilize the social order.

Mr. Cao said he had run a consultation firm on firm annex and bankruptcy, offering advice to clients coming from various parts of China. As far as he knew, there were more than 40 enterprises declaring bankrupt in Zhejiang and over 60 enterprises in Jiangsu.

He believed the key for China to develop market-based economy was to set up a market mechanism in which only enterprises with better economic efficiency would survive.

He believed that bankruptcy was the final way for loss-making enterprises to reduce their losses. However, there were still many obstacles in bankruptcy practice, because it is involved individual interests. At present, it was easier to declare bankrupt for a commercial enterprise than an industrial enterprise, because the former had less debts and employees than the latter.

The bankrupt rate of the Mainland enterprises was as low as 0.0001 percent, said Mr. Cao. He stressed that the social turbulence brought about by enterprise bankruptcy would not be as serious as people imagined.

State Companies Privatization May Cause 'Social Chaos'

HK2910073494 Hong Kong EASTERN EXPRESS in English 29-30 Oct 94 p 27

[By Beverly Chau]

[FBIS Transcribed Text] Hong Kong analysts yesterday expressed concern that plans by the Chinese premier, Li Peng, to privatise one third of China's state companies by the year 2000, could lead to social chaos. They said if Beijing moved too hastily it could exacerbate problems in an already overheated economy suffering from political uncertainty.

The analysts were responding to Li's remarks at the Pacific Rim Forum in Beijing that a third of the mainland's state run companies should be privatised within six years or face the prospect of bankruptcy. However Li's remarks, delivered in a statement to the conference, were long on words but short on concrete measures on how to make the privatisation of the loss-making state-owned firms attractive to domestic and foreign investors.

Earlier, the central government announced an experiment to liquidate two or three state-owned loss makers in each of 18 designated major cities. But sources said that the experiment had stalled, mainly because of fears that the laying off of workers would lead to social chaos.

Observers said the fact that it was Li—widely viewed as a pro-central planning conservative—who made the

remarks was significant and reflected a new realism in Beijing's leadership's. Joe Lo, senior economist at Citibank, said politics in China was crucial to the continuation of reform. "There have long been rumours about Chinese patriarch Deng Xiaoping's ill health and death—it will create an unsuitable environment for the economic reform when it comes," Lo said. He said that if the runaway inflation continued to soar in 1995, Beijing would face more pressure from workers destined to become jobless.

Chinese officials estimate that as many as 10 million jobs involving 15 per cent of the some 70,000 state enterprises will be threatened in the next few years. About 60 per cent of the loss-making enterprises come from four sectors—the military, coal mining, textiles and machine building. The urban unemployment rate is officially estimated to be 5 million, or 3 per cent.

Daniel Widdicombe, the vice-president of Bear Stearns' China research, said Beijing would win re-entry to the General Agreement on Tariffs and Trade by showing its commitment to close down unprofitable businesses as early as possible. Widdicombe said the importance of state enterprises in terms of China's industrial output had been declining from 80 per cent in 1980 to 45 per cent last year. "Therefore, when one third of the enterprises are to be shut down, only 10-15 per cent of the entire Chinese economy will be affected," he said.

Editorial Warns Against Borrowing

HK3010073394 Hong Kong SOUTH CHINA SUNDAY MORNING POST (SUNDAY MONEY) in English 30 Oct 94 P 4

[Editorial: China Says it Needs \$3.9 Trillion in Foreign Loans To Upgrade Infrastructure. But Is It Being Duped by Western Advisers? David Ibison reports]

[FBIS Transcribed Text] It is unlikely China's finance minister Liu Zhongli had the words of Victorian man-about-town Artemus Ward on his mind as he stepped forward to address bankers in Beijing last week, but he seemed to reach the same conclusion. In Ward's words: "Let us all be happy and live within our means, even if we have to borrow the money to do it."

Mr Liu announced to a numbed audience China intended to tap the international capital markets for US\$500 billion (HK\$3.9 trillion) over the next decade. Even broken down into annual US\$50 billion packages, it is a staggering amount of money—the equivalent of selling off 2.5 HSBC Holdings a year and keeping the proceeds. But Mr Liu had only to mutter one word to justify this huge capital requirement: infrastructure.

Not all agree improvements are necessary. China's more blinkered politicians are fond of pointing out that by the end of last year, the nation had 53,000 kilometres of railway, 1.1 million kilometres of motorways, 340 deep-water ports and 950 cities with an international direct dialing service. However, people in the know say: "Big

deal." From roads to railways and ports to power stations China's infrastructure is in dire need of modernisation. Even in booming Guangzhou province, power shortages have meant some factories are forced to close down for two or more days a week. In distant northern provinces the problem is worse.

China's railway system is practically the same size as it was 40 years ago and the mainland has the highest proportion of grade three roads that is, dirt tracks—anywhere in the world. Its ports resemble pre-war Portsmouth, its airports house ageing Russian Turgenevs and tractors have yet to replace oxen on most farms. China also has the lowest percentage of telephones per capita on the globe.

Mr Liu is a member of the political group in Beijing that believes in telling things as they are. He said even though China had invested 182 billion yuan (HK\$166 billion) in infrastructure last year, bottlenecks still threatened to stall economic growth. "To meet the goal, more capital will be pooled from overseas capital markets, and more loans will be sought from international financial organisations and foreign governments," he told the gaping bankers.

But China's frank admission it desperately needs vast quantities of foreign money to ensure the onward march of economic development has done more than started bankers salivating. Economists, China watchers and political experts are now asking questions. Foremost among them is: does China actually need so much foreign money?

Bob Broadfoot, managing director of the Hong Kong-based Political and Economic Risk Consultancy, said China did not need US\$500 billion but had been sold into thinking it did. "What bothers us is that Western financial institutions have preached a line to the leaders in Beijing that China's number one problem is capital and that they are in a position to solve that problem," he said.

While he questions the amount, Mr Broadfoot does not deny China needs money. But he emphasised the provision of capital was one thing and allocating it correctly another. "Getting capital is not the number one problem—it is a lack of management that knows how to employ the capital that is the problem. In general, banks don't do that. They just say 'issue that bond' or 'do that listing' while missing the core priority. Strangely, by doing so they may be creating an environment where failure is even more likely."

Mr Broadfoot's argument that lending huge sums to Chinese enterprises is the equivalent of giving a child a razor blade does not say much for the banking world and he is not scared to say so. "The financial industry's ability to manage risk has shown itself to be not very sharp. Remember, this is the industry that gave us Savings & Loans. By convincing the Chinese that capital is their main problem, they are making it harder for the

authorities to realise they also need to give foreigners an opportunity to run the companies they are investing in. They believe money will solve it all." The end result of such policies, according to Mr Broadfoot, will be financial apocalypse for the firms concerned. "There is going to be a huge bankruptcy in the next five years of a major state-owned company that has gained access to huge amounts of Western capital and has demonstrated that it has invested that capital unwisely. It will be interesting to see where the fingers are pointing when it all goes bust."

That bankers want to generate as much income as possible from an emerging China is not a shocking conclusion—that is what bankers do. But there is a growing belief China does not need the world's money—it has plenty of its own if only it could access it correctly. The mainland's domestic savings are estimated at 400 billion yuan, most of which qualifies for the label of being "under the mattress".

Ray Farris, an economist at Crosby Securities, said: "There is no shortage of savings but a shortage of the allocation of savings.

There is a huge amount of money that is just not being channelled properly." China has attempted to access its domestic savings by issuing government bonds and increasing its use of equity markets, but has only shaved the top off available domestic capital.

Mr Farris said the Government should increase the interest rates it offers on government bonds, make the bond market more liquid and offer investors more and better exit strategies. "If China was able to finance its development itself, it wouldn't have to repatriate its profits overseas. Banks could actually help China by developing its access to the domestic market. China has the potential to be the largest domestic debt market in Asia, ex-Japan. It could set Asia's benchmark interest rate and yield curve. So for China to concentrate on tapping the overseas market is perhaps a little misdirected."

In the first sign Western banks have spotted the potential of the domestic Chinese market, US bank Morgan Stanley last week joined forces with the People's Construction Bank of China to launch the mainland's first international investment bank. The aim is to raise domestic and foreign capital to finance infrastructure development.

It is a safe bet Morgan Stanley is not doing it for philanthropic reasons. At Morgan's, fee income comes first, philanthropy a distant second. Fellow investment banks can be expected to follow suit sooner rather than later. As Mr Farris said: "There are some pretty slick boys from Europe and Wall Street selling pretty hard in China." The trouble is, they may be selling the wrong story.

Three Gorges Project To Award Contracts to U.S. Firms

HK3010081594 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 30 Oct-5 Nov 94 p 2

[By Gao Bianhua: "Dam Corp To Award \$27M In Contracts"]

[FBIS Transcribed Text] The China Yangtze Three Gorges Project Development Corp is expected to award three construction and engineering machinery contracts during its ongoing trip to the United States to drum up support for the massive water project.

The combined value of the contracts, one of which will go to Illinois-based earthmover Caterpillar Inc, is \$27 million.

Three Gorges Development Corp Vice-President Yuan Guolin is a member of the business delegation organized by the China Council for the Promotion of International Trade, to arrive in Washington, D.C. early next month.

The development corporation will bring a picture-and-material-object exhibition entitled "the Open Yangtze River" to Los Angeles, New York and Canada as well.

"We expect the American people to better understand the Three Gorges Project and support its construction through the exhibition," Yuan said.

He added that his trip is also aimed at studying the feasibility of US business participation in the Three Gorges Dam construction.

The huge water project, currently in preliminary stages, will need about 150 billion yuan (\$17.4 billion) of investment by the year 2005 when the Three Gorges power station starts generating energy, Yuan said.

"Most of the investment will come from domestic sources," he said, "but we also need \$2-3 billion of foreign funds to buy equipment."

Yuan said the Yangtze company welcomes any form of overseas cooperation for the dam project, such as issuing bonds and stocks abroad, fund raising, leasing and arranging export and commercial credits.

So far, more than \$60 million overseas funds have been channeled to the Three Gorges project, most of which are export and commercial credits.

"The Three Gorges belong to Chinese people," Yuan said. "But the Three Gorges Project stretches far beyond our borders in terms of technology and business. Only through wide-ranging co-operation can it be constructed better and benefit the whole world."

Yuan said the Yangtze corporation has co-operated on technology and trade with more than 40 overseas companies from Brazil, Canada, the United States, Germany, Japan and France.

The development company announced recently another two projects for international bidding: man-made silt-control system and construction of an information pivot building.

Yuan said concreting will start by the end of this year, which marks the formal beginning of the Three Gorges Project—already 10 months ahead of schedule.

The water project is scheduled to be completed 17 years after its initiation in January 1993.

Its hydropower station will generate electricity topping 80 billion kilowatt hours, accounting for more than 10 per cent of the country's total.

And completion of the Three Gorges Project will deliver 15 million people and 1.4 million hectares of land from disastrous annual floods.

"Generating electricity is not the only purpose," said Yuan, also an engineer. "The Three Gorges project itself is an ecological project. We are attaching great importance to environmental protection when building the project."

The China Yangtze Three Gorges Project Corporation was officially established in late September last year and is located in Yichang, Hubei Province.

As the proprietor of the giant dam, the corporation is fully responsible for the project's fund raising, operation and debt payment.

Bohai Rim Investment Promotion Fair Opens

OW2910140094 Beijing XINHUA in English 1308
GMT 29 Oct 94

[FBIS Transcribed Text] Beijing, October 29 (XINHUA)—The Bohai Rim Investment Promotion Fair opened here today.

Some 1,000 overseas businessmen attended.

Some 3,600 projects have been offered for overseas investors.

This is part of the efforts by the Chinese Government to accelerate the development and opening up of the Bohai Rim region.

The projects cover a wide range of areas, including energy, transport and telecommunications and technical transformation of state-owned enterprises.

The Bohai Rim region, incorporating Beijing and Tianjin cities and Shandong, Hebei, Liaoning and Shanxi Provinces and part of the Inner Mongolian Autonomous Region, has a land area of 1.12 million square kilometers, accounting for 12 percent of China's total. It has a combined population of 240 million, accounting for 20 percent of China's total.

It is an important outlet of north, northwest and northeast China to the Pacific and other parts of the world.

The region abounds in natural resources. The proven reserves of iron, oil and coal account for over 40 percent of the nation's total and boasts the strongest contingent of high-tech personnel.

Leading industries to be developed in the coming 15 years will include automaking, electronics, high and new technology, iron and steel, petrochemical, heavy-duty machinery, energy, finance and trade, information, real estate and tourism.

More than 1,000 investors from over 500 international companies have expressed the intention to participate in the fair. Domestic delegations will also join in.

Sources from the organizing committee said that negotiations have been scheduled for at least 40 projects so far, involving some two billion U.S. dollars.

BITIC To Raise Funds From Overseas for Development

HK3010081794 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 30 Oct-5 Nov 94 p 3

[By Tong Ting: "Beijing Gathering Funds To Support Local Industries"]

[FBIS Transcribed Text] Beijing International Trust and Investment Corp (BITIC), one of China's financial giants, is planning to raise more funds from overseas to support Beijings economic development.

Gao Xuezeng, chairman and president of the group, revealed that his company is expected to pool \$150 million in overseas funds this year.

In the first 10 months of 1994, the company signed loans totalling \$65 million with foreign financial organizations. And \$40 million more are expected to be reached by the end of this year.

BITIC, an international financial institution under the Beijing municipal government, was established to raise both domestic and overseas funds to support Beijing's economic construction in such sectors as textiles, chemicals, electronics, building materials, automobiles and tourism.

BITIC has pooled \$900 million in foreign capital for some key projects in Beijing and returned \$336 million worth of loans due since it was set up in 1984.

In 1993, it signed two long- and mid-term loans valued at \$65 million while signed short-term loans also went up to \$33 million.

Up to now, the company has accumulated assets of 2.76 billion yuan (\$325 million), compared with 100 million yuan (\$11.76 million) a decade ago.

Profits are expected to hit 40 million yuan (\$4.71 million) this year.

At present, BITIC has established business relations with more than 50 foreign financial bodies from 15 countries and regions including Japan, Netherlands, France, Germany and Hong Kong.

At the end of 1993, the company signed a \$40 million loan with 10 overseas banks to support Beijing-based Catch Telecommunication Corporation to build a nationwide network for wireless telephone services.

In 1994, it borrowed \$5.8 million from Japan's Matsushita for the No 738 Factory in Beijing to produce components of digital-control switchboards.

BITIC has conducted 2,100 batches of foreign exchange business with a total value of 1.6 billion yuan (\$188.2 million) since it started trading foreign currencies last year.

In the past two years, treasury bonds, corporate bonds and stock trading of BITIC's securities department developed quickly.

So far, more than 4,000 investors have opened accounts in its six business outlets. The total annual turnover hit 3 billion yuan (\$352 million) in 1993, ranking it first among all Beijing securities corporations.

The company plans to add at least two outlets under its securities department this year.

BITIC has set up seven joint ventures in Hong Kong, Japan, the USA and Bolivia to enter the overseas financial market.

Gao said his company also hoped to put more efforts into development of real estate projects and to help China's infrastructure construction in the future.

Futures Exchange Association Opens in Beijing

HK3010081194 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 30 Oct-5 Nov 94 p 1

[By Liu Weiling: "Futures Exchanges Brace For Upcoming Regulations"]

[FBIS Transcribed Text] With China's first futures trading law still in the air, futures exchanges in the country are closing ranks to tighten co-operation among themselves ahead of time.

The China Futures Exchange Association was established last month in Beijing to forge discipline in the exchanges, help them standardize operations and assist the China Securities Regulatory Commission to supervise the young industry, according to Huang Yaohua, director of the liaison office of the association.

Huang said the association, made up of more than 10 big exchanges from cities like Beijing, Shanghai, Shenzhen, Zhengzhou, and Suzhou, is also expected to boost foreign co-operation in the field.

"Foreign futures companies are showing growing interest in the lucrative Chinese market," said Huang, who is also vice-president of the Beijing Commodities Exchange the country's largest futures exchange with daily transaction value hitting 10 billion yuan (\$1.18 billion).

But Huang says the market is too weak to confront foreign companies armed with big capital and sophisticated skills.

"It is still time for Chinese futures professionals to learn from foreign counterparts," Huang said.

Major co-operation in this field is still limited to personnel training and exchange.

He said the association will regularly sponsor seminars to introduce foreign advanced experience to the fledgling domestic industry.

An international seminar on risk management is expected to be held in Beijing in December, he said.

Experts from big-name exchanges in the United States, Britain, Japan, Singapore and Hong Kong are expected to participate in the seminar.

"We hope foreign experience can help Chinese exchanges standardize their operations, which is now the biggest problem in the industry," Huang said.

Only standardization can ensure longevity for this infant industry, he said.

China's rectification of futures exchanges began last year, in which more than 20 small unstandardized exchanges have been asked to close down or transfer to wholesale market operations.

And before that, China tightened its management of futures companies in other ways. Only those companies with a certain amount of capital, professional people and standardized operation were approved to open business.

So far, China has more than 10 approved futures exchanges and 200 brokerage companies.

More than 130,000 people are involved in the industry, which saw a 700-billion-yuan (\$82.35 billion) total transaction value last year.

"We hope the futures trading law or management regulations can be issued as soon as possible. Right now, the industry is yelling for guidance," he said.

Export Fair for Foreign-Funded Enterprises Ends

OW3010133794 Beijing XINHUA in English 1327
GMT 30 Oct 94

[FBIS Transcribed Text] Guangzhou, October 30 (XINHUA)—China's third export commodities fair for foreign-funded enterprises ended here today, drawing 2,500 businessmen from 72 countries and regions.

During the 15-day fair, China's foreign-funded enterprises present signed contracts and letters of intent worth 70 million U.S. dollars. Raw material products and products with special flavor have been welcomed, with export products from Jiangsu, Zhejiang, Henan and Sichuan leading the rest of the country in transaction volume.

The fair, with the previous two being held in Xiamen, Fujian Province, was moved to Guangzhou for the first time and was held simultaneously with the 76th Guangzhou Export Commodity Fair.

According to Li Yue, vice chairman of China Foreign-Funded Enterprises Association, the next such fair will also be held at the same time with the 77th Guangzhou Export Commodities Fair.

Importing Goals for '94 Still on Target

HK3010081494 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 30 Oct-5 Nov 94 p 2

[By Wang Yong: "Importing Goals Still On Track"]

[FBIS Transcribed Text] Tempered import growth since the beginning of this year will not affect the nation's goal of purchasing altogether \$1,000 billion in goods from overseas for the remainder of the century.

"Provided with an annual growth rate of 12 per cent, the imports will add up to \$1000 billion in the next six years," Wang Zixian, a senior official of the Ministry of Foreign Trade and Economic Co-operation (Moftec) said in an exclusive interview with Business Weekly.

China's imports in 1993 was \$103.9 billion.

Wang noted that although the import growth rate in the first nine months of this year slowed to 16 per cent as compared with the whopping 40 per cent last year, it was enough to clinch the \$1,000 billion target.

His remarks sought to dispel worries among some international businesses that the Chinese market could become less attractive with a slowed import growth momentum.

He also disagreed with the speculation that the Chinese government had deliberately curbed imports with administrative measures.

"The slower growth of imports was led mainly by the macro economic control policy aimed at reducing overall domestic demand and inflation," Wang explained, adding that the devaluation of renminbi yuan brought by the unification of the two-tier foreign exchange rate system also served as a brake on import growth.

He predicted that the effect of macro economic control and the unification of the rates on foreign trade balance would largely remain intact for this year and next.

And the whole year is likely to see a marginal trade surplus with exports continuing to grow faster than imports, he said.

"But imports would gather pace in the coming three months as newly-approved State key projects break ground," he pointed out.

Moreover, access to bank loans to support enterprises' working capital is becoming easier, he added.

And a gradual appreciation of yuan, which is expected for the whole year will help imports grow.

Two other major factors affecting imports are the volume of exports and foreign investment, Wang said.

The nation's average growth rate of exports from 1978 to 1993 was 16.1 per cent. So it would not be difficult to maintain at least a 12 per cent rate in the years to come.

Foreign investment will also grow steadily, opening new channels for imports, Wang said.

Actual foreign investment in China last year was \$25.76 billion. Wang predicted that about \$20 billion will land in China each year in the future.

Another reason for sustained import growth is the demand to forge several pillar industries—automobile, machinery, petrochemicals, construction and electronics.

In conclusion, Wang said, China's exports will outpace imports in the near future. But imports will still grow faster than those of many other countries.

The rapid growth of exports since the beginning of this year peaked in September when there was a \$1.38 billion trade surplus.

Wang attributed the fast export growth basically to the macro economic control measures and the yuan's devaluation.

But he pointed out that exports are facing a worsening environment in the short term in the last three months of this year as domestic inflation goes up and the yuan gains value against the US dollar.

But he believed that inflation, although having pushed up export costs, would be unlikely to spin out of control because the government's macro economic measures are still in place, Wang said.

Study Provides Scientific Data for Dam Design

OW3010150194 Beijing XINHUA in English 1437
GMT 30 Oct 94

[FBIS Transcribed Text] Nanjing, October 30 (XINHUA)—A study of the site of the Three Gorges Dam indicated that the dam being built will be able to resist big floods.

To be designed and built in line with the data provided by the study, the Three Gorges Dam, China's largest water conservancy project, will be capable of resisting floods as big as that struck the area in 1870, which, according to the study, was the biggest ever in the past 2,500 years.

The study, which passed appraisal recently, was made by professors in the Nanjing-based Hehai University and experts from the Hydrometric Bureau under the Committee of Chang Jiang River Management.

In the past three years, these scientists have made research on an area 60 km surrounding the site of the dam, with up-to-date equipment.

Arts, Crafts Exports To Set Record This Year

HK3010081694 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 30 Oct-5 Nov 94 p 2

[By Li Yan: "Overseas Buyers Gobble Up Arts"]

[FBIS Transcribed Text] Trade volume of the China National Arts and Crafts Import and Export Corporation will set a new record this year climbing to an anticipated \$1.5 billion.

According to Liu Peijin, president of the corporation, exports will hit \$1.2 billion by the end of this year, \$400 million more than the planned figure and imports will reach \$300 million.

Exports in the first nine months of this year reached \$8.7 billion, amounting to 100.87 per cent of the annual plan, up 30 per cent compared with the same period last year.

Imports during this period reached \$225 million, an increase of 98.96 per cent over the figure of the corresponding period last year.

The corporation, with 51 domestic and 18 overseas branch companies, and over 100 companies subordinated to the branch companies, has a total capital value of 7 billion yuan (\$804 million). It ranks 12th among the nation's 500 biggest import and export enterprises.

The corporation's achievements, Liu said, are due to the successful performance of its first stage development project—establishing regulations in the corporation.

The regulations include a distribution system, decision-making and commanding rights regulations.

Under the regulations, material distribution is linked to the performance of employees instead of to their official rank.

To fit the demands of the market economy, the corporation is adapting new decision-making and commanding systems, in which all employees are able to make suggestions to their superiors, and the superiors will make the final judgement. One specific job or employee is only responsible to one commander who is in charge of this job or this employee.

At present, the corporation is considering implementation of its second stage development project, to establish a nationwide network for arts and crafts enterprises.

Company president Liu said the corporation has the following three prerequisites to form a network:

—It has nearly 200 domestic and overseas subordinate companies with a total capital reserve of 7 billion yuan.

—Its businesses have expanded from solely arts and crafts import and export to such fields as real estate, decoration, overseas project contracts, labour exports, and advertising.

—The firm has many partners at home and abroad.

Teams To Inspect Provinces for Illegal Coal Mining

OW 2910090694 Beijing XINHUA in English 0849
GMT 29 Oct 94

[FBIS Transcribed Text] Beijing, October 29 (XINHUA)—The government has decided to send inspection teams to provinces to enforce measures against illegal mining of coal which has gone rampant across the country.

According to the Ministry of Coal Industry, those teams, headed by the minister and vice-ministers, will arrive in the provinces of Sichuan, Guizhou, Gansu, Hunan and Shanxi later this month to begin month-long inspections.

A ministry official said the inspections will be carried out "on the scene and by listening to reports in this regard from local officials," so as to enforce measures designed to curb illegal mining.

China's township coal mines have been one of the fastest growing sectors over the past 15 years of reform and opening, contributing to easing the country's coal shortage. However, illegal mining and lack of basic safety conditions have resulted in heavy casualties and excessive waste of coal resources, and even posed threats to the safety and production of state-owned coal mines.

In March this year, a national work conference on township mines called for "overhauling and rectifying" those mines as well as for curbing illegal mining and improving safety to ensure "the healthy development of the industry."

Many local governments, said the ministry official, have since formed special offices to address the problems and implement policies and measures in relation to strengthening industrial administration.

However, he said, there are disparities across the country and little improvement has been achieved in some areas.

He said the inspections will uncover problems and make improvement suggestions to local authorities, and jointly work out solutions to give a boost to the rectification process.

Last year China's coal output reached 1.14 billion tons, over 40 percent of which were produced by township coal mines.

Plans for 'Home-Grown' Budget Car Unveiled

HK3010073194 Hong Kong SOUTH CHINA DAILY MORNING POST (SUNDAY MONEY) in English 30 Oct 94 p 2

[By Joseph Lo]

[FBIS Transcribed Text] An ambitious plan to provide China with its first home-grown, budget family car has been unveiled by a joint Hong Kong and mainland group. The three-door car, which has yet to be named, is styled on the Japanese Supermini and designed for the "modern", one-child Chinese family. A prototype of the car made its debut at the Wuxian Trade Exhibition, near Shanghai, last week.

It is the product of Tint Dragonfly, a joint-venture company comprising private Hong Kong-based product designer Tint International and state-owned industrial company Shenzhen Dragonfly. The project has received official backing from the Wuxian provincial government. China has started developing and restructuring its fragmented and inefficient car industry, while also protecting it from foreign competition.

Tint Dragonfly, which specialises in product design but has no experience in the car industry, plans to win central government approval by 1997 to produce at least 150,000 vehicles a year, in line with requirements of the Ministry of Machinery Industry.

Its target by 1996 is to sell 2,000 units in Wuxian, and to follow this with mass production a year later, pending government approval. Lee Tak-chi, chairman of Tint Dragonfly, said: "The new policy in China is to open up the family car market. They are building a lot of highways and from next year secondary school children will be taught traffic knowledge."

"We know what sort of car the Chinese people want. We have good relations with people from the car industry. What we need from our foreign partner is the technological know-how. Tint can provide the rest." China is expected to become one of the world's largest car markets within 10 years, and has implemented plans to become integrated into the global car market with an independent competitive domestic car industry.

The price of an average sedan is now 18 times the annual salary of a city worker. Cars such as the popular Santana, developed by a Shanghai joint venture with Volkswagen, retail for 180,000 yuan (about HK\$ 159,300). Last year the average annual income in urban areas was 2,337

yuan, government figures show. It is estimated that by the year 2000, 4.3 million households will earn more than 30,000 yuan.

With car manufacturing designated a key industry, a vacuum in the low-end car sector and China's infrastructure overdrive, Tint Dragonfly believes the concept of a Chinese people's car will be a reality by the year 2000.

Previous attempts to provide the population with affordable private vehicles had concentrated on inefficient, low-quality, two- and three-wheel vehicles, Mr Lee said. Tint's basic 730cc, back-engine, three-door model is expected to retail at 38,000 yuan, and the upgraded version at 55,000 yuan. The Wuxian provincial government has awarded the project tax incentives and a site for a plant. The joint venture has also received the blessing of Fang Jie, who is widely acknowledged as one of the founding fathers of the Chinese automobile industry.

Appointed by Beijing in the 1950s to oversee the development of the industrial heavy goods vehicles with the help of the Soviet Union, 86-year-old Mr Fang now acts as a senior consultant on the advisory committee of China's automobile industry, the Ministry of Machinery Industry. "The best car is the one that earns the most money. China is ready for the people's car, but for Tint's car to be successful so much depends on price," Mr Fang said. "Under 45,000 yuan it would be a good car in the market. Over that and it would be very tough to sell."

Government Urges Cotton Growers To Sell Product

OW28J0144494 Beijing MINHUA Domestic Service in Chinese 0704 GMT 28 Oct 94

[By reporter He Jingsong (6320 0513 2646)]

[FBIS Translated Text] Beijing, 28 Oct (XINHUA)—Huang Jin, director of the Agricultural Service Department of the Ministry of Internal Trade, reiterated at a news briefing on cotton purchasing today that cotton purchase policies will remain unchanged and purchase prices will not be raised. He called on cotton growers to actively sell their harvests to the state as soon as possible so as to enjoy the benefits of early sale.

Huang Jin said: As of 25 October, 32.96 million dan of cotton had been purchased across the country. The average daily purchase over the last 10 days was 790,000 dan. It is expected that the total purchase across the country will reach 40 million dan by the end of October. At present, the cotton purchase is proceeding quite well, with 11.52 million dan purchased in Xinjiang, 6.17 million dan in Jiangsu, and 3.77 million dan in Hubei. In

Hebei, Shandong and Henan Provinces, where the cotton purchase proceeded slowly in the preceding period, the situation has greatly improved over the last several days. Shandong Province purchased 2.16 million dan of cotton during the period 16 October to 25 October alone.

During this year's cotton purchase, governments at all levels in cotton-producing regions are seriously implementing the guidelines of the national cotton work conference, and attaching great importance to cotton purchase. Local governments are generally paying more attention to market management and dealing harsh blows to the illegal business activities of private cotton buyers. However, a conspicuous problem at present is that cotton growers are still hesitant to sell their cotton. Some of them are still waiting, expecting a repeat of the high cotton price during a panic purchase in the latter part of last year.

For this reason, the Ministry of Internal Trade asks the supply and marketing cooperatives at all levels to do good propaganda work among cotton growers. Huang Jin said: This year's cotton purchase price is nearly 60 percent, or 202 yuan, higher than last year's per-dan price, and has already reached the tolerance limit of cotton textile enterprises. So the government will not raise the price any more, and it would be better for cotton growers to sell their harvests sooner. Besides, it is very unsafe to store cotton in one's house because cotton is a combustible material. While some private cotton buyers offer to buy at higher prices, they in fact take advantage of cotton farmers by cheating on the weight measure.

It is reported that private cotton buyers and illegal business firms are still very active in some localities. Some village and town ginneries are buying cotton in violation of government regulations, and some local cotton mills are buying cotton directly from growers. From time to time, some people will raise prices in a disguised form to attract sellers from neighboring provinces or counties. It is quite commonplace to disregard the quality requirements and the set price in cotton purchase. The Ministry of Internal Trade urges the supply and marketing cooperatives at all levels to pay attention to quality, manage the market well, and protect the cotton growers' interests while accelerating the cotton purchase. Grass-roots purchase stations are urged to pay attention to quality inspection. Ginneries are urged to re-examine the quality of the cotton purchased for them by grass-roots purchase stations. The purchasing units and their leaders are held liable for any loss caused by higher buying price and poor cotton quality.

East Region

Fujian Initiates Poverty-Relief Measures

OW3110085094 Beijing XINHUA in English 0741
GMT 31 Oct 94

[FBIS Transcribed Text] Fuzhou, October 31 (XINHUA)—Coastal Fujian Province has decided to relocate 100,000 people from its poverty-stricken mountainous areas over the next seven years in a bid to relieve these people of poverty.

By September this year over 10,000 residents in the south China province had been resettled, making up two-thirds of this year's relocation target, provincial authorities said.

Through poverty-relief measures over the past eight years the population below the poverty line (the poverty line set by the state is determined by an annual per capita income of 320 yuan, equal to 37 U.S. dollars) in the province has dropped to 800,000 from the previous 2.4 million, the authorities disclosed.

Ways of relocation include construction of new villages, moving people into townships or development zones, and settling them in the homes of relatives or friends.

The funds needed come from the provincial coffers as well as from local institutions and enterprises. In the provincial budget 11.16 million yuan is earmarked in subsidies for the work this year, they said.

Preferential Policies Extended to New Xiamen Zone

OW3110031294 Beijing XINHUA in English 0214
GMT 31 Oct 94

[FBIS Transcribed Text] Fuzhou, October 31 (XINHUA)—Preferential policies for special economic zone will be applied in Haicang, a new investment zone of Xiamen, according to a local official.

Su Zengtian, deputy director of the Haicang Investment Zone Administration, said that with approval of the State Council, the Xiamen Municipal Government has adopted the regulations on applying the preferential policies in the new investment zone.

Haicang zone with an area of 100 square kilometers, facing Xiamen Island across the sea, was set up in 1989.

Su said Haicang is located in the economically advanced part of Fujian, with convenient land, air and sea communications. A bridge is to be built to link it with Xiamen island. The new zone will play an important role in the communications between China's mainland and the Taiwan island, Su added.

Haicang plans to construct a deep-water berth with a handling capacity of 40 million tons, Su revealed.

In recent years, nearly one billion yuan has been put into the construction of roads and facilities of water and electricity supplies, communications and accessory systems in residential districts.

Su said Xiamen has decided to turn Haicang into a foreign-oriented industrial and port zone with hi-tech industry as pillars.

The 100-square-km zone has been divided into seven sub-zones to develop fine chemicals industry, chemical fibers, rubber, electronics, machinery and other industries.

To date, 19 foreign-funded projects have been approved by the local government, with a combined investment of 146 million U.S. dollars.

Jiangxi Secretary Urges Private Development

HK2810113094 Nanchang Jiangxi People's Radio Network in Mandarin 1300 GMT 13 Oct 94

[FBIS Translated Text] A two-day provincial work conference on the operation and management of township and town enterprises opened today in Nanchang. The meeting required that all parts of the province should carry out the guideline of greatly developing and enhancing township and town enterprises, keep firm confidence, never relax efforts, and guarantee the efficient, rapid, and healthy development of township and town enterprises in this province through solid and effective work.

Provincial leaders Mao Zhiyong and Zhang Fengyu attended today's meeting. Mao Zhiyong gave an important speech at the meeting. He pointed out: To effect substantial development and enhancement, township and town enterprises must turn themselves into modern enterprises. They should, no matter what industry they are in, orient their operation to the market, develop their own advantages, enlarge their scale of production, develop a whole range of products, and effect specialization in their operations and business management. According to the requirements of modern industry, two key measures should be taken in the course of their development. First, they should develop a whole range of competitive products which are widely marketable. In view of the general situation of this province, efforts should be made to greatly develop production of special aquatic products, special poultry and animal breeds, special crops, and special fruits; to develop more modern industrial products needed by the coastal areas, and to increase the production of export goods. Second, the process of integrating trade, industry, and agriculture should be speeded up. Production of raw materials, the processing of such materials, and the sale of processed products should be properly and effectively coordinated and integrated so that the industrial chain can be made longer. This will not only promote the development of a number of production bases and bring a large number of rural households into market activities, but will also

provide broad room and a solid foundation for the development of locomotive industries.

Mao Zhiyong said: The development of township and town enterprises should be closely linked with the construction of small cities and towns. Small cities and towns enjoy such advantages as increasing quantities of information, technology, finance, and commodity circulation so they can play a significant role in economic development and enhancement. All localities should formulate well-coordinated plans for speeding up the pace of construction of small cities and towns and also speeding up the process of concentrating township and town enterprises in these small cities and towns. At the same time, it is necessary to greatly develop joint-stock and cooperative enterprises and to encourage the development of individually run businesses and private enterprises. This is a realistic way to effect the substantial development and enhancement of township and town enterprises. In future, in principle, new enterprises launched in rural areas should be formed as cooperative joint-stock enterprises. Existing township and town enterprises should be more quickly and properly transformed into cooperative joint-stock enterprises. While great efforts have been made to develop village-run and township-run collective enterprises, the development of individually run and private enterprises should be taken as one of the key steps in promoting the development of township and town enterprises. Individually run and private enterprises should be taken as a new growth point in the rural economy. Relevant policies should be more effectively carried out and better services should be given to them. Irregular levies and charges imposed on such enterprises must be banned. Everything should be done to guarantee the greater and faster development of individually run and private enterprises.

Mao Zhiyong stressed: It is necessary to try by every possible means to increase inputs to township and town enterprises. All localities and all provincial departments should work out more effective measures to bring financial inputs into line with the growth of township and town enterprises. Banks and financial departments should do their utmost to support township and town enterprises. Special funds for township and town enterprises should be set up wherever this is possible. The investment system for township and town enterprises should be perfected. It is also necessary to encourage and advise peasants to increase inputs to production in order to increase production. In particular, inputs should be made in the right fields of production. A number of township and town enterprises should be transformed and developed by turning them into joint-stock companies.

Jiangsu Court Reports Economic Crimes by Cadres

OW3010001994 Nanjing Jiangsu People's Radio Network in Mandarin 2300 GMT 28 Oct 94

[From the "Provincial News Hookup" program]

[FBIS Translated Text] The Jiangsu Provincial Higher People's Court gave a news briefing yesterday to announce eight major economic criminal cases of corruption and bribery, the trials of which were concluded recently. Seven of the criminal cases involved state cadres at the county and departmental level. The criminals include (Chen Renmin) and (Chen Jianhua), respectively the former deputy director and former accounting department head of the Zhangjiagang Customs Department, who jointly accepted bribes totalling some 463,000 yuan; and (Yao Huidong), former director of the Yangcheng Urban and Rural Development Committee, who also accepted bribes.

(Ding Qiaoren), vice president of the provincial higher people's court, said: Since its inception of the anti-corruption struggle this year, the number of economic crimes handled by courts has increased sharply. From January through September, provincial courts at all levels received 2,118 cases of various economic crimes, an increase of 119 percent over the corresponding period last year. The province has completed trials for 1,830 cases, saving the state and collectives some 48.39 million yuan in economic losses and punishing a total of 1,756 persons in accordance with the law. Of the criminals punished, 668 are former state personnel, including 13 cadres at and above departmental level.

Jiangsu City Seizes 6,000 Illegal Guns

OW3010124594 Nanjing Jiangsu People's Radio Network in Mandarin 2300 GMT 29 Oct 94

[From the "Provincial News Hookup" program]

[FBIS Translated Text] Aiming at maintaining rural public security, public security organs in Huaiyin City have launched extensive efforts to crack down on crime. They have concentrated on crushing all kinds of gang crime, and noticeable results have been achieved.

The city's public security organs have zeroed in on factionalist criminal syndicates; gangs of ferocious hooligans who have run amuck locally, committed all kinds of crimes, and played tyrants in the city; and gangs of robbers. During the four months from April to July this year, 108 gangs of these three types were crushed; and 95 people who had played tyrants in villages, on land, on water, and in Huaiyin City, and 296 robbers, were severely punished. Moreover, more than 6,000 self-made guns were confiscated, and eight gun-making dens were destroyed, dealing a severe blow at local gang crimes and effectively improving local rural public security.

Zhejiang Standing Committee Session Ends

OW3010025894 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 29 Oct 94

[From the "Provincial News Hookup" program]

[FBIS Translated Text] The 13th session of the Eighth Zhejiang Provincial People's Congress Standing Committee ended in Hangzhou 29 October.

By a show of hands, the committee approved the provincial regulations on managing commodities exchanges, the provincial regulations on managing the construction industry, and the provincial measures for implementing the PRC Trade Union Law. The committee, also by a show of hands, approved Ningbo's regulations banning fireworks and firecrackers and regulations on building and protecting vegetable bases in the cities of Ningbo and Hangzhou.

The session also deliberated on a report concerning the implementation of the PRC Teachers' Law, a report on the inspection of the implementation of the Teachers' Law in Zhejiang, a report on Zhejiang's investigation and handling of major and high-profile cases and its struggle against corruption, a report by the Legislative Committee of the Zhejiang Provincial People's Congress Standing Committee on the examination of deputy's motions presented during the Second Session of the Eighth Zhejiang Provincial People's Congress, draft provincial measures for implementing the PRC Agricultural Technology Popularization Law, a draft decision on revising the provincial regulations governing the organization of the presidiums of township and town people's congresses, a draft amendment to the provincial regulations on supervising the statistics trade, and draft regulations governing the handling of suggestions and criticisms from deputies to the provincial people's congress.

Xu Xingguan, vice chairman of the Zhejiang Provincial People's Congress Standing Committee, presided over the meeting. Vice Chairmen Yang Bin, Li Debao, Zheng Shu, and Mao Zhaoxi attended the meeting. Xu Zhichun, vice governor, and Xia Zhonglie, president of the Zhejiang Provincial Higher People's Court, observed the proceedings.

Zhejiang Renovates Airport for Civilian Use

OW2910144894 Beijing XINHUA in English 1341
GMT 29 Oct 94

[FBIS Transcribed Text] Hangzhou, October 29 (XINHUA)—An extended airport, capable of accommodating aircrafts of Boeing and MD-82, has gone into service in east China's "town of small commodities."

The airport in Yiwu city in east China's Zhejiang Province is now able to handle airliners with a flying range of some 2,000 kilometers to Beijing, Shenzhen, Guangzhou, Xiamen, Shantou, Harbin, Chengdu, Zhengzhou, Xian and other major Chinese cities as well as to Hong Kong and Macao.

Yiwu is known as a "town of small commodities" because it is one of the ten largest small commodities markets in Asia, trading small goods ranging from towels to electronic clocks. Trade volume topped 4.52 billion yuan last year.

Airport officials said that advanced guidance facilities has been installed in the airport over the past 10 months. The renovation of the airport cost them 95 million yuan.

Previously, the airport was mainly for military use and can only accommodate small planes.

Zhejiang, Shanghai Set Up Joint Development Zone

OW3110070394 Beijing XINHUA in English 0610
GMT 31 Oct 94

[FBIS Transcribed Text] Hangzhou, October 31 (XINHUA)—Zhejiang Province and Shanghai City have jointly set up an economic development zone.

The zone is located in Jiashan County, Zhejiang, intersected by the Shanghai-Hangzhou Railway and No. 320 Interprovince Highway.

So far, 27 projects involving a combined investment of 250 million yuan have settled in the zone.

The foreign-funded projects are mainly run by businessmen from the Republic of Korea, Japan, the United States, Thailand, Hong Kong and Taiwan.

At present, 80 percent of the enterprises in the zone have gone into production.

Jiashan County is soon to launch a campaign in Southeast Asia in a bid to attract more capital to the zone.

Shandong Opposes Pornography, Illegal Publications

SK2810110894 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 27 Oct 94

[FBIS Translated Text] The propaganda department and the political and legal committee of the provincial party committee, the provincial leading group for wiping out pornography, the provincial public security department, and the provincial press and publication bureau jointly held in Jinan a provincial telephone meeting in on wiping out pornography and dealing blows to illegal publications on the afternoon of 27 October. The important instructions of central leading comrades and the guidelines of the third national conference on wiping out pornography were relayed at the meeting, and efforts were urged and arrangements made to do a better job in Shandong's unified activities to wipe out pornography and dealing blows to illegal publications.

Vice Governor Wu Aiying chaired the meeting. Dong Fengji, standing committee member of the provincial party committee and director of its propaganda department, gave a speech. He said: Thanks to its persistent effort to carry out the struggle against pornography and illegal publications over the past few years, Shandong has fairly successfully maintained the purity and prosperity of the markets for books and audio and video products. In particular, the unified activities carried out in August and September of this year helped solve the problems of 21 key areas fairly successfully. Over 6.2 million copies of illegal publications and harmful books and magazines and over 15,000 illegally produced or

smuggled audio and video types were seized. This was a notable achievement for that period.

Dong Fengji pointed out: We are still faced with a very grim situation in wiping out pornography and dealing blows to illegal publications. Party committees and governments at all levels as well as departments concerned should deal strict blows to the production and sales of pornographic products and illegal publications. They should achieve success in solving the problems of key areas and in investigating and handling major and serious cases. They should give wide publicity to a group of important cases they handle. They should, on the one hand, eliminate pornography and illegal publications and, on the other, improve and implement the systems for management and establish a mechanism for safeguarding the normal order of the markets for publication so that the achievements in the unified activities can be consolidated.

Dong Fengji emphasized: Production and sales of pornographic products and illegal publications have endangered the general task of stable development of reform, the healthy growth of the young generation, and the image of the party and state. We must never be vague on this important issue concerning the general task. We should adopt a firm and clear-cut stand and make conscientious efforts to achieve success in the work.

Shanghai Increases Intellectual Property Protection

*OW3110063794 Beijing XINHUA in English 0617
GMT 31 Oct 94*

[FBIS Transcribed Text] Shanghai, October 31 (XINHUA)—Shanghai, China's largest economic center, is beefing up its legal protection of intellectual property.

So far, the city has issued a set of regulations on protecting intellectual property and set up intellectual property divisions in the municipal higher people's courts and intermediate courts.

Besides, Shanghai has established an office for evaluating invisible property, such as copyright, patent right, exclusive technology, trade secrets, trademarks, trading reputation, logos and licenses.

In addition, the city has organized a commission made up of heads of municipal government departments and directed by a deputy mayor to strengthen surveillance and management in this field.

During the first half of this year the city settled 65 trademark cases, in which over 1.7 million illegal trademarks were abolished.

Besides, the city has confiscated 1.1 million yuan-worth of books which were published in violation of copyright, and 80,000 yuan-worth of compact discs.

In addition, the city won a law suit against a foreign manufacturer who had violated the "butterfly" trademark of Shanghai's Xiechang Sewing Machine Factory.

To enhance the protection of intellectual property, Shanghai pays close attention to personnel training in this field.

The newly formed Shanghai University has decided to set up a department of intellectual property and communicate with foreign universities in this field.

Shanghai's Jinshan County Sets Up Customs

*OW2910075094 Beijing XINHUA in English 0732
GMT 29 Oct 94*

[FBIS Transcribed Text] Shanghai, October 29 (XINHUA)—The customs of Jinshan, one of China's top 100 counties with strong economic power, has opened to service with the approval of the central government.

Located on the north bank of the Hangzhou Bay in the southwest of Shanghai, Jinshan has a 23.3-kilometer long coastal line, the only place for Shanghai to build a sundry wharf able to accommodate ships of 60,000 tons and a berth for the third and fourth generation of international standard containers.

A local official said that Jinshan's export-oriented economy has been thriving in recent years. By the end of last month, it had approved the establishment of 342 overseas-funded enterprises, of which 150 have gone into production.

These enterprises generated an output value totalling 1.98 billion yuan in the first nine months of this year.

The official noted that the establishment of the customs will help the county simplify formalities and thus improve its investment environment.

Pudong Financial Center Receives More Investment

*OW3010150294 Beijing XINHUA in English 1444
GMT 30 Oct 94*

[FBIS Transcribed Text] Shanghai, October 30 (XINHUA)—Lujiazui Financial and Trade Center in Shanghai's Pudong Area signed a land leasing agreement with a local company Saturday [29 October], increasing the center's total investment to 3.4 billion U.S. dollars.

The Shanghai-based company, named new Huangpu Group, is one of the largest real estate enterprises in Shanghai. According to the agreement, the group will invest 1.2 billion yuan (140 million U.S. dollars) to build a comprehensive business building which measures 180 meters high and occupies 80,000 square meters in floor space.

According to local sources, Lujiazui has achieved breathtaking achievements since Pudong started construction of the financial and business center such as the construction of Nanpu Bridge and Yangpu Bridge as well as a section of subway and a group of power substations.

Among the total of 3.4 billion U.S. dollars of investment, 45.3 percent is from overseas.

By the end of this year, the center will have started construction of 80 buildings and five of them will be completed.

Central-South Region

Guangdong Governor on Antismuggling Operations

HK2810120094 Beijing ZHONGGUO XINWEN SHE in Chinese 1145 GMT 12 Oct 94

[By Wang Dongyun (3769 0392 0061)]

[FBIS Translated Text] Guangzhou, 12 Oct (ZHONGGUO XINWEN SHE)—Guangdong Provincial Governor Zhu Senlin said here today that despite the significant results achieved by Guangdong in its operations against smuggling, the situation remains grim, and with an increasingly large number of smuggling cases involving millions or even tens of millions of yuan, there are no grounds for us to feel optimistic about the fight against smuggling.

Zhu Senlin made the above statement at a provincial conference on the antismuggling drive, which ended today.

It is understood that iron-clad boats, small vessels plying between Hong Kong and Macao, and enterprises and nonprofit-making institutions are all playing a serious role in smuggling activities. Smuggling under the cover of border trade or the ^{regulation} of loopholes in customs transfers, the tax ^{regulation} system, and bonded areas is also serious, and the number of cases involving the smuggling of drugs, cultural relics, and pornography has more than doubled. Occasionally, there are cases of violent resistance in antismuggling operations.

A breakdown of smuggling activities in Guangdong shows that cigarettes and iron-clad boats are the two main smuggled goods in eastern Guangdong, in western Guangdong it is cigarettes and automobiles, and in Zhujiang it is domestic electric appliances, automobiles, cigarettes, liquors, perishable goods, and livestock. Large quantities of tax-deductible or tax-reduced imports in special economic zones have also found their way onto the domestic markets.

Zhu Senlin believes that there will be smuggling as long as prices are different between separate markets within China. He said that places adjacent to Hong Kong, Macao, and Vietnam have particularly heavy antismuggling duties, but efforts in this area cannot be slackened even for a second.

He demanded that antismuggling departments at all levels draw up concrete operational plans targeting key local smugglers and problems, highlight critical issues, and treat both the symptoms and root causes of the issue.

They must continuously uncover and identify the latest characteristics and trends in smuggling activities from operations against smugglers to ensure that operations are directed at the correct targets and that raids and prevention are emphasized equally.

Guangdong Sets Up Digital Data Network

HK2810094094 Beijing ZHONGGUO XINWEN SHE in English 1332 GMT 27 Oct 94

[FBIS Transcribed Text] Guangzhou, October 27 (CNS)—A two-tier digital data network is newly set up in Guangdong Province. It contains a main long distance network at provincial level and a local network linking various cities and counties within the province. The provincial level network covers 29 cities and counties at its early stage. The network goes into operation in the wake of a pass on an initial acceptance test last July following a six-month construction. Local digital data network now works in 11 cities including Guangzhou, Shenzhen and Zhuhai.

There are to date 400 users served by the local network in Guangzhou. Construction of other local networks is now underway for nine cities and counties including Zhanjiang and Zhaoqing. The provincewide digital data network boasts a capacity capable of serving 14,700 users. There are some 100 potential users applying for the long distance network service.

In addition to point-to-point data communications offered by the network, it will provide users with several other kinds of service. It is applicable to point-to-point vocal and video communications which is suitable for banking and financial sectors, economic and trade circles, the communications sector and the press circle for transmission of a large quantity of data.

The digital data network together with the data exchange network which went into operation one year ago will connect with computer networks and information systems equipped by various departments, thus constituting a sound information network which is beneficial to establishment of various kinds of information processing systems. The exchange network covers 38 cities and counties including Guangzhou, Shenzhen, Zhuhai, Shantou, Foshan, Jiangmen, Zhanjiang, Maoming, Shaoguan and Zhaoqing. Its capacity is capable of serving some 3,200 users and the Guangzhou station acts as an outlet to handle exchange of data for Hong Kong and Macao.

The Guangdong digital data network and the exchange network have already connected with their state level counterparts respectively. International line service offered by the digital data network is available while the exchange network has links with 37 countries and regions.

Establishment of the two networks in Guangdong along with the information processing system which is expected to go into operation this year which includes electronic mail box service and exchange of electronic

data will basically meet the needs of data communications required of various departments across Guangdong.

Hainan Governor Chairs Meeting on Marine Resources

HK2710145694 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 19 Oct 94

[FBIS Translated Excerpt] Governor Ruan Chongwu chaired a governor work meeting on 18 October to review Hainan Province's 1995 draft plan on processing petroleum and using natural gas, and the relevant programs for the year 2010; the Hainan Province 1995 draft plan on marine resources exploration, and the relevant program for the year 2010; and the Hainan Province 1995 draft plan on tropical agriculture and processing industry, and the relevant program for the year 2010. [passage omitted]

The meeting ratified these three draft plans in principle and instructed the provincial planning department to submit them to the relevant state departments along with the draft programs on transportation, power supply, and water resources, after revising them according to suggestions raised at the meeting.

The meeting pointed out that Hainan should use natural gas as its main energy source. This project should be carefully studied and provided with theoretical proof. Construction of gas pipelines must be carried out as planned.

The meeting proposed giving priority to the development of sea transportation, beach tourism, maritime services, and other tertiary industrial projects. [passage omitted]

Henan Secretary Urges Combating Pornography

HK3110114094 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 22 Oct 94

[FBIS Translated Text] Provincial CPC Secretary Li Changchun inspected the provincial News and Publication Bureau on 13 October. After listening to a report by a person in charge of the bureau, Li Changchun made an important speech on combating pornography and punishing criminals in the province. He asked party committees and governments at all levels to improve their understanding of the importance of combating pornography and punishing criminals, take serious account of this work, strengthen their administration and management, strengthen organizational work and leadership over combating pornography and punishing criminals, purify the cultural market and make it flourish, and strengthen the province's spiritual civilization in the course of combating pornography and punishing criminals.

Accompanying Li Changchun in his inspection were Zhang Wenbin, member of the provincial party committee's Standing Committee and director of provincial

party committee's Propaganda Department; Vice Governor Zhang Shiyi, as well as leading comrades of the provincial party committee's Propaganda Department and Political Science and Law Commission, the provincial Public Security Department, and the provincial Industrial and Commercial Bureau.

In his speech, Li Changchun pointed out: Illegal publication ruins our socialist law and discipline, disrupts our markets, seriously affects the socialist market economy, and damages our new, healthy economic structure and good social environment. Pornography and obscenity corrupt people's souls, weaken their willpower, damage our efforts to train a new type of people, run counter to spiritual civilization, and are a big enemy of strengthening socialist spiritual civilization. We must not take this lightly, still less must we remain indifferent. We must resolutely resolve this problem. This is an important task in socialist spiritual civilization. We must have this understanding.

He asked public security, news, and publication departments to crack down on pernicious publications that are widely disseminated and have produced a deep influence so that the criminals involved will be punished.

Li Changchun stressed: Administration and management must be strengthened. Namely, we must exercise proper management over printing plants, publishing houses, news stalls, audio and video entertainment centers, and kara-oke halls. Directors of printing plants and publishing houses and operators of these entertainment centers and kara-oke halls must assume legal responsibility. The provincial party committee and government must put the crackdown on criminals and pornography on the agenda. Personnel must be assigned to this job and coordinating teams must be formed. All departments involved in combating pornography and punishing criminals must make joint efforts. Zhengzhou City must be taken as the focal point. Attention must also be focused on Anyang, Xinxiang, Xuchang, Luoyang, and Xinyang, which are located along the Beijing-Guangzhou Railway, as well as on Kaifeng, Luoyang, and Shangqiu.

In conclusion, Li Changchun hoped that the province's writers and literature and art workers would go to factories and rural areas to write good stories and produce new creations. The utilization rates of large clubs, cinemas, theaters, and auditoriums throughout the province must be improved; they must introduce a higher art style to enrich the people's spiritual food, to make the cultural market flourish, and to strengthen the province's spiritual civilization.

Henan Governor Demands Strict Controls on Prices

HK2710144594 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 23 Oct 94

[FBIS Translated Text] At the ninth plenary meeting of the provincial government on 22 October Governor Ma

Zhongchen asked all cities and localities to strictly control the general level of commodity prices and do a good job in stabilizing commodity prices.

Governor Ma Zhongchen pointed out: Low commodity prices are not favorable to economic development. Appropriate price increases are favorable to economic development, but excessive price hikes hamper economic development and can even cause social problems. He added: A prominent problem at present is excessive price hikes, therefore controlling the general level of commodity prices must be taken as a major matter in economic work for the remaining two months of this year. No government at any level is allowed to introduce new price adjustments this year, and the shopping basket project must be made a success, particularly vegetable production, pig breeding, and citizens' basic necessities to ensure market supply and stabilize nonstaple food prices. There is a need to strengthen supervision and inspection over prices of daily necessities and service charges; strictly exercise the system of applying for important commodity price increases; exercise management over prices of grain, eggs, and vegetables; rectify the market order; standardize market operations; severely crack down on unlawful practices of increasing commodity prices; and prevent excessive price increases in the period from the New Year to the next year's Spring Festival.

Governor Ma Zhongchen also asked all localities and cities to further strengthen their comprehensive management over the circulation field to severely deal with counterfeit and low quality products and to establish a good market order.

Hunan Governor at Work Meeting on Party Building

HK2710145294 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 6 Oct 94

[FBIS Translated Text] In order to implement to the letter the spirit of the Fourth Plenary Session of the 14th CPC Central Committee and step up the building of rural party organizations, the provincial party committee has decided to dispatch a number of work teams to help improve and rectify backward rural party branches.

The provincial party committee yesterday convened a meeting at which it deliberated on a number of relevant issues, such as, dispatching work teams to help improve and rectify rural party branches, improving rural party branches, and selecting competent cadres to form rural work teams.

Hu Biao, provincial party committee standing committee member and secretary general, presided over yesterday's meeting at which Chen Bangzhu, provincial party committee deputy secretary and provincial governor, as well as Yang Zhengwu, provincial party committee deputy secretary, delivered their respective speeches.

Yesterday's meeting stated: As the recently concluded Fourth Plenary Session of the 14th CPC Central Committee has decided on several issues relating to party building and has charted an explicit orientation for rural party branches building, the provincial party committee has now decided to dispatch work teams to help improve and rectify backward rural party branches with a view to expediting the pace of eradicating poverty and achieving a comparatively well-off livelihood in rural areas. This is indeed a major step forward in respect of implementing the spirit of the Fourth Plenary Session of the 14th CPC Central Committee. To this end, the provincial party committee has now also decided to comprehensively build and rectify, as of this year, a total of 47,000 rural party branches across the province over the next three years. This year, the provincial party committee will select and transfer a total of 14,000 provincial, prefectural, and county cadres to form a number of work teams and will then send them to work in a total of 4,700 villages. A total of 180 provincial cadres will be selected, transferred, and sent to work in some 60 villages. Before leaving for the rural areas, all work teams formed by cadres transferred from various provincial organs will gather together to conscientiously study and comprehend the spirit of the Fourth Plenary Session of the 14th CPC Central Committee decision as well as the spirit of the Hunan Provincial CPC Committee Decision on Improving and Rectifying Rural Party Branches to acquire a clear understanding of the importance of building and rectifying rural party branches and clearly define a guiding ideology as well as tasks and measures for improving and rectifying rural party branches.

Yesterday's meeting emphatically called for heightening understanding, taking rural party branches improvement and rectification as an important political task, firmly adhering to a clear-cut guiding ideology in improving and rectifying rural party branches, comprehensively fulfilling the task of rectifying backward rural party branches, selecting and transferring competent cadres to form rural work teams, successfully conducting ideological education in this connection, and fruitfully furthering all sorts of work.

All rural work teams are to spend three days collectively studying a series of relevant central and provincial documents, during which persons in charge of the provincial party committee organization department, propaganda department, political and legal affairs committee, and rural work department, as well as various other units, will speak one after another and focus on a number of pertinent issues.

Hunan Province Honors Local Scientists

OW3010022694 Beijing XINHUA in English 0218
GMT 30 Oct 94

[FBIS Transcribed Text] Changsha, October 30 (XINHUA)—Hunan, Mao Zedong's home province in central China, has begun a week-long campaign to make 100 outstanding local scientists better known to the public.

Exhibitions and lectures have been organized to spread the achievements of the 100 people including Yuan Longping, winner of several Chinese and international prizes for developing hybrid rice strains, noted mathematician Hou Zhenting, and academicians of both the Chinese Academies of Sciences and Engineering Technology.

Among the 100 "scientific stars", so called by the organizers, are winners of the provincial science prize, young and middle-aged scientists, technicians and some industrialists who have contributed to scientific and technological progress.

Starting from 1991, the province organizes activities one week a year to make people know the vital role of science and technology in boosting the local economy.

The promotion week has made Mao's home province better known in China as a place of honoring science and talents. Last year, five new and high-tech development zones in the province attracted more than 1,000 scientists and entrepreneurs.

Southwest Region

Investigation of Qinghai Corruption Case Concludes

OW 2910110594 Beijing XINHUA Domestic Service in Chinese 0617 GMT 29 Oct 94

[FBIS Translated Text] Xining, 29 Oct (XINHUA)—The other day, the Hainan, Qinghai Province, Prefectural People's Procuratorate published the crimes of embezzling public funds committed by Ren Jishan, former director of the prefectural finance bureau.

It has been learned that since 1990, Ren Jishan has abused his position and misappropriated 2.91 million yuan and embezzled 580,000 yuan of public funds and accepted bribes totaling 24,000 yuan by forging papers of the prefectural finance bureau and opening secret accounts for advance payments from subordinate units.

Ren Jishan committed suicide in his office on 23 June 1994 to escape punishment.

According to a briefing by Chief Procurator Youla Cailang, the prefectural procuratorate received tips about 136 cases of all sorts of economic offenses from January to October. After preliminary investigations, it decided to place 21 of them on file for investigation. Twelve of the 21 cases have been closed.

Tibet Leaders Attend Education Conference

OW 3010070594 Lhasa Tibet Television Network in Mandarin 1200 GMT 29 Oct 94

[Announcer-read report over video; from the "Regional News Hookup" program]

[FBIS Translated Excerpt] [Video begins with a long shot showing several hundred people inside a conference room and pan shots showing closeups of Chen Kuiyuan, Gyaincain Norbu, and other leaders] The fifth regional conference on education work held a meeting to exchange experiences and commend advanced units and individuals on the morning of 29 October. Leading persons of the autonomous region including Chen Kuiyuan, Gyaincain Norbu, Danzim, Yang Chuantang, Li Weilun, Gyamco, Jimzhong Gyaincain Puncog, Yabxi Wangdui and Yang Chaoji attended the meeting.

Yang Chuantang, member of the Standing Committee of the regional party committee and executive vice chairman [chang wu fu zhu xi] of the regional people's government, presided over the meeting. [passage omitted]

Comrade Yang Chaoji announced names of one prefecture, 10 counties, 15 townships, three departments of schools of higher learning and two specialized middle schools which received commendations. Zhou Kaihua, deputy chairman of regional education commission, announced names of three advanced units which received commendations from the State Education Commission.

Chen Kuiyuan, secretary of the regional party committee; Gyaincain Norbu, chairman of the autonomous regional people's government; Danzim, deputy secretary of the regional party committee; Gyamco, executive vice chairman of the autonomous regional people's government; and Yang Chaoji, vice chairman of the regional committee of the Chinese People's Political Consultative Conference and chairman of the regional education commission issued silk banners, letters of commendations, and cash awards to the advanced prefecture, 10 advanced counties, three advanced departments of schools of higher learning, two advanced specialized middle schools, 15 advanced townships and three advanced units which were commended by the State Education Commission respectively. [passage omitted]

It was learned the total amount of cash awards was 850,000 yuan. Advanced typical examples which have been commended would receive cash awards of 100,000 yuan; 50,000 yuan; 20,000 yuan; and 10,000 yuan respectively. The goal is to give big awards to some units so as to promote the work of the entire area, and truly give priority to developing education. [passage omitted]

Finally, the regional committee of the Communist Youth League made a report on the situation of implementing the hope project in the autonomous region.

Tibet CPC Education, Commendation Meeting Ends

OW 3010015994 Lhasa Tibet Television Network in Mandarin 1200 GMT 28 Oct 94

[Announcer-read report over video; by caption-identified correspondents Jin Mei (2516 5019), Ni Song

(1441 2646), and Ran Deyong (0373 1795 0516); from the "Regional News Hookup" program]

[FBIS Translated Text] [Video opens with close-up of the sickle-and-hammer emblem of the CPC, followed by long shot of a crowded conference hall] The second Tibet regional meeting for commending advanced grass-roots party organizations, excellent communist party members, and excellent party affairs workers, and for the education of party members, which lasted for four days, concluded successfully at the Hall of the Tibetan People on the afternoon of 28 October.

Tibet autonomous regional leaders Chen Kuiyuan, Gyaincain Norbu, Danzim, Yang Chuantang, Lu Huimin [7120 1920 3046], Puqung, Zheng Ying, Tian Fujun, Li Weilun, Baimadouji, Gyamco, Luosang Danzeng, Jimzhong Gyaincain Puncog, and Zhou Qishun attended the meeting chaired by Danzim, deputy secretary of the Tibet Autonomous Regional CPC Committee [TARCPCC]. [Video shows close-ups of abovementioned leaders] Before the meeting opened, TARCPCC Organization Department Director Lu Huimin and TARCPCC Propaganda Department Deputy Director Huang Yusheng [7806 3768 3932] respectfully presented a hada [a piece of silk used as a greeting gift among the Zang (Tibetan) and Mongol nationalities] to each of the delegates of the 35 advanced grass-roots party organizations, 160 excellent communist party members, and 50 excellent party affairs workers receiving commendation at the meeting. The delegates who received commendation at the meeting were typical representatives of a multitude of advanced workers who came to fore on all fronts in Tibet in recent years. They have made outstanding contributions at their respective posts.

The four-day meeting relayed and studied the guidelines of a national work conference on the education of party members. Delegates to the meeting listened to a speech delivered by Comrade Basang, deputy secretary of the TARCPCC, and conscientiously held discussions; they discussed and revised an opinion on stepping up and improving education of party members in Tibet. [Video shows Danzim, other leaders handing out awards, flowers to delegates] Delegates of the advanced grass-roots party organizations, excellent communist party members, and excellent party affairs workers receiving commendation at the meeting spoke of their typical cases and extensively exchanged experience. Comrades present at the meeting centered their discussions of further strengthening party building at the grass-roots units in Tibet around the study of the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee.

At the closing ceremony, Yang Chuantang, Standing Committee member of the TARCPCC and executive vice chairmen of the Tibet Autonomous Regional People's Government, read out a decision on behalf of the TARCPCC on Tibet's second commendation of advanced grass-roots party organizations, excellent communist party members, and excellent party affairs

workers. [Video shows close-up of Yang Chuantang] (Xuazeren), secretary of the Qamdo County CPC Committee and excellent party affairs worker, read out a written proposal on behalf of all the comrades present at the meeting to all the grass-roots party organizations, communist party members, and party affairs workers in Tibet. [Video shows close-up of (Xuazeren) reading a script he holds] Comrade Lu Huimin, director of the TARCPCC Organization Department, spoke of focusing attention on strengthening the building of grass-roots party organizations and improving the quality of the contingent of party members in an all-round way. [Video shows close-up of Lu Huimin] He said: Improving the education of party members constitutes an important link in our efforts to successfully carry out the party's ideological building, improve the quality of party members, and enhance their party spirit. Grass-roots party organizations are the basis of the party's entire work and its combat effectiveness. We must strive to consolidate the grass-roots party organizations which are weak and have low morale; conscientiously strengthen leadership over the building of grass-roots party organizations; continue to institute the system under which leaders are responsible for attaining given objectives in their management of grass-roots party organizations, so as to ensure the implementation of all the principles and policies adopted by the central authorities, as well as the guidelines laid down by the third forum on work in Tibet and the fulfillment of all the tasks raised by the Sixth Enlarged Plenary Session of the Fourth TARCPCC. Lu Huimin said: Party members are the cells of party organizations. We must promote the growth of grass-roots party organizations and expand the party's strength and influence at the grass-roots units. Meanwhile, we must improve management of party members, raise their quality, promote development of the contingent of party members, enhance their concept of party spirit, and give full play to their role.

Tibet Education Foundation Established

OW2810161694 Beijing XINHUA in English 1558
GMT 28 Oct 94

[FBIS Transcribed Text] Lhasa, October 28 (XINHUA)—The Tibet Education Foundation, aimed to aid Tibetan students who are attending institutions of higher learning and secondary schools in other parts of China and encourage outstanding teachers and students, has been set up in Lhasa.

Some 5.30 million yuan have been raised for the foundation. Part of the funds were contributed, among others, by the Tibetan branch of the People's Bank of China and the Lhasa Customs.

Gyaincan Norbu, chairman of the Tibetan Autonomous Region and also the chairman of the foundation, is chairman of the foundation. [sentence as received] He said that the establishment of the foundation is expected to further improve the educational level of the Tibetan people.

Ngapoi Ngawang Jigme, vice-chairman of the national committee of the Eighth Chinese People's Political Consultative Conference (CPPCC), and Pagbalha Geleg Namgyai, vice-chairman of the Eighth National People's Congress' Standing Committee, and two other local leaders of Tibet acted as honorary chairmen of the foundation.

Tibet Court Reports on Crime Crackdown

OW2810113094 Lhasa XIZANG RIBAO in Chinese 16 Oct 94 p 1

[By reporter Zhaba Gongjue (2089 1572 6300 6030)]

[FBIS Translated Text] To strengthen the socialist legal system, sternly crack down on criminals, and safeguard the stable political and social situation in Tibet, the Tibet Autonomous Regional Higher People's Court held a "press conference on sternly cracking down on crimes" on the morning of 14 October and briefed the press in the Lhasa area on the court's "crackdown" campaign since the beginning of this year and on the public trials of 17 criminals, including Chen Jianwen, Wang Xiaoyou, Deng Shanhong, and Lin Jiang, who had seriously disrupted public order with their crimes of homicide, injury, robbery, and serious theft, at three people's courts on the same day at different levels in Zongjiao and Lukang in the Lhasa area. The press was also briefed on reductions in penalties and parole granted to about 100 prisoners who had actively reformed their ideology and truly repented of their crimes.

The press conference was moderated by Qinrao Jiachu, deputy director of the Information Office of Tibet Autonomous Regional People's Government. Bai Zhao, president of the regional higher people's court, and others attended the press conference.

Nima Zhandui, press spokesman for the regional higher people's court said: People's courts at various levels in Tibet have sternly cracked down on criminal offenses that seriously harm the public order by vigorously arranging public trials, and they have achieved certain results. However, public order in Tibet is still very grim. An analysis of this year's public order trend reveals a striking increase in the number of major cases and the number of joint criminal cases has risen conspicuously. Intelligently-planned criminal cases have appeared in Tibet and encroachments on other people's properties have risen sharply. Crimes involving people from outside Tibet and cases of serious homicide and injury in agricultural and pastoral areas have all increased. In light of these facts, we will handle the trials of criminal cases in a more effective way, deal a greater blow to crimes, and further deepen the "crackdown" struggle, while comprehensively intensifying the trials of economic, civil, and administrative cases. We will hold public trials of various kinds and scale around Tibet to display our force and authority to marked social effect, so as to provide a powerful legal guarantee of the quality of legal service for Tibet's stability and development.

Nima Zhandui and Hu Benrong, vice presidents of the regional higher people's court; and Ou Zhu, chief judge of the criminal division, answered reporters' questions at the press conference.

After the public trials aimed at "sternly cracking down on crimes," Bai Zhao, deputy secretary of the regional political and legal commission and president of the regional higher people's court, spoke on the significance of the public trials and the courts' attitude toward the crackdown on crimes in the future.

Tibet CPC Committee Commends Grass-Roots Units

OW2810122094 Beijing XINHUA Domestic Service in Chinese 0810 GMT 18 Oct 94

[By reporter Wu Hao (0124 4110) and correspondent Zhang Zhenrong (1728 2182 2837)]

[FBIS Translated Text] Lhasa, 28 Oct (XINHUA)—The Tibet autonomous regional party committee today decided to commend 35 advanced grass-roots party organizations, 160 prominent CPC members, and 50 outstanding party workers who have made remarkable contributions to strengthening party-building and promoting Tibet's reform, development, and stability.

As an important measure for promoting and strengthening the construction of grass-roots party organizations, Tibet authorities have, in recent years, launched an extensive, thoroughgoing, and protracted campaign aimed at "fostering advanced and outstanding elements" among grass-roots party organizations, party members, and party workers across Tibet. By vigorously commending advanced collectives and individuals who have come to the fore during the drive for reform and opening up, economic development, the quest for stability, and disaster relief operations, they have fostered a general atmosphere in grass-roots party organizations across the region, in which everybody shows concern for party-building, strives to become an outstanding party member, and aims to achieve top-notch results.

Among the advanced grass-roots party organizations and prominent party members and workers being commended by the autonomous regional party committee are the Bargor office of the Chengguan district party committee in Lhasa city, which has taken a clear-cut stand against separatism, conscientiously defended the unity of the motherland and ethnic groups, and built a strong bulwark against separatism and infiltration. Also commended are the 18th Daga township party branch in Quxu county and the Gaercuo township party branch in Shuanghu district in Nagqu prefecture, both of which have fostered close ties with the masses, actively led the people in disaster relief operations, and helped the people resume and expand production, shake off poverty, and achieve prosperity. There are many outstanding models who have performed their official duties honestly; courageously waged a resolute battle

against corrupt practices, lawbreaking acts, and indiscipline; been the first to bear hardships and the last to enjoy comforts; shown selfless devotion; achieved extraordinary results in their ordinary jobs; spearheaded the drive for reform and opening up; and played exemplary vanguard roles as CPC members in carrying out production and in performing their jobs.

Northeast Region

Heilongjiang Secretary Talks With Guangdong Leaders

SK3010055794 Harbin Heilongjiang People's Radio Network in Mandarin 1100 GMT 29 Oct 94

[FBIS Translated Text] On his way to the United States and Canada, Yue Qifeng, secretary of the provincial party committee, stopped over Guangzhou city and held discussion with the leading comrades of Guangdong Province on the issues of further enhancing economic cooperation and exchanges between the two provinces. He was also interviewed by the Guangdong Provincial Television Broadcasting Station. Yue Qifeng pointed out: Guangdong Province has started earlier its programs of reform and opening up as well as been a pioneer region and played a model role in this regard throughout the country. Lots of its experiences are worth learning or drawn on by us. Yue Qifeng stated: Heilongjiang Province is endowed with abundant natural resources and its potential in space and resource development is very large. Over the past decades, the Heilongjiang people have created in the course of building material civilization the precious spirit of the Great Northern Wilderness, of Daqing, and of Iron Man. These are important factors that have made Heilongjiang's economy flourish. Since the Third Plenary Session of the 11th CPC Central Committee, Heilongjiang's economy has always developed with low speed and never become active. The key to this phenomenon lies on the problem in which the unitary pattern of the planned economy, the unitary ideas of economic work, and the unitary financial resources have not been changed in a timely manner. The structures of industries and products have not been dealt with and not been relatively readjusted. Yue Qifeng stressed: Currently, we want to reinforce the mechanisms in enhancing economic and technical cooperation with the coastal provinces and cities in the south and in opening Heilongjiang to northern foreign countries. We also want to take cooperation to promote the opening up to the north. Heilongjiang Province has abundant strong points in the fields of machine-building industry, agriculture, forestry, energy resources, and talented personnel. Guangdong Province also has its strong points in the fields of opening up, location, markets, and funds. Therefore, both Heilongjiang and Guangdong can strongly complement each other in the economic field. If we carry out more extensive economic cooperation, we believe that we will certainly be able to greatly accelerate our good economic development. Such cooperation will

be also favorable for us to mutually open north markets with neighboring countries such as Russia and the DPRK.

Jilin Government Holds Executive Conference

SK2710082994 Changchun JILIN RIBAO in Chinese 17 Oct 94 pp 1, 3

[FBIS Translated Text] Governor Gao Yan convened the 22d executive conference of the provincial government on 14 October. The conference analyzed the three-year efforts to promote the economy to a new height and studied the plan to promote the economy to another new height. It also discussed the "opinions on accelerating rural areas' endeavor to achieve a moderately prosperous life" and a report on rural areas' disaster relief work.

The provincial planning commission first gave a report to analyze the three-year efforts to promote the economy to a new height and to put forward the plan for promoting the economy to another new height. The conference noted: Jilin achieved extraordinary economic development from 1992 to 1994, and the objective of promoting the economy to a new height in three years may, by and large, be attained. Based on Comrade Xiaoping's important speeches given during his south China inspection and the guidelines of the plenary meeting of the Political Bureau of the party Central Committee held in March 1992, the provincial party committee and government made a "decision on accelerating reform and opening up and achieving faster and better results in promoting Jilin's economy to a new height" in the first half of 1992, putting forward an explicit objective of mobilizing the whole province, working assiduously for three years, accelerating reform, opening wider to the outside world, relying on science and technology, facilitating an overall improvement in the economic quality, fulfilling the Eighth Five-Year Plan one year ahead of schedule, and promoting Jilin's economy to a new height. Over the past three years, people throughout the province, focusing on this objective, have emancipated the mind, dedicated themselves heart and soul to make progress, united as one, gone all out to work assiduously, and created a new situation in which efforts were made to achieve extraordinarily fast economic development. The government's macroeconomic regulation and control have been strengthened, the economic structure has been rationalized, the export-oriented economy has been developed fairly rapidly, the factor of scientific and technological advance has been continuously enhanced, the economic quality has been upgraded in an all-around manner, and the living standard has been further improved. The general objective of fulfilling the Eighth Five-Year Plan one year ahead of schedule as put forward by the provincial party committee and government can be attained, and Jilin's overall economic strength has leaped to new heights.

The conference analyzed the initial experiences in the three-year efforts to promote the economy to a new height. They were as follows:

The opportunity was seized and successfully employed. After the publication of Comrade Xiaoping's important speeches given during his south China inspection, the provincial party committee and government judged the hour and sized up the situation, made resolute policy decisions, and decided in a timely manner to promote Jilin's economy to a new height in three years. People throughout the province emancipated the mind, updated their concepts, and had the courage to put decisions into practice and achieve breakthroughs, thus creating a situation in which efforts were made to overfulfill the objective.

The system of responsibility for attaining the objective was instituted, and the effort to promote the economy to a new height was taken as Jilin's central work. The provincial party committee and government vigorously and speedily made arrangements and regarded the effort to promote the economy to a new height as an important criterion to appraise the work and performance of all localities and departments. Based on the objective of promoting the economy to a new height, all localities and departments assigned tasks to every level and implemented the system of responsibility for fulfilling the tasks.

New growth points of economic development were accurately selected and policy measures were expanded. Focusing on the central task of promoting the economy to a new height and based on the specific conditions of Jilin, new economic growth points, such as high and new technology, projects on opening to the outside world and development, the tertiary industry, and nonstate-owned sectors, were accurately selected, and policy measures were expanded to support and cultivate the factors for increase.

Unity between growth rate and efficiency was upheld, and efforts were made to optimize the structure and improve efficiency. Full support was given to the automobile and petrochemical industries, the two pillars; and preferential treatment was given to key projects, key enterprises, and key products of the food and medical industries, the two advantages, in terms of policies and funds. In adjusting the new enterprises, we paid particular attention to construction of the 10 major projects; and in adjusting the existing enterprises, we paid particular attention to the technical transformation of 100 large- and medium-sized enterprises. We also paid attention to a group of closely associated trades which had great development potential.

Attention was given to handling the relationship between reform and development, and reform was promoted in all fields. We stepped up efforts to facilitate the reform in the macroeconomic fields, thoroughly enforced the "regulations," and accelerated the transformation of the enterprise mechanism. Since the beginning of this year, the relations between all sectors have been brought into better balance, tax burdens have become fairer, and, as a result, good external conditions have been created for

faster economic development and enterprises' participation in competition on an equal footing. New mechanisms have emerged in state-owned large- and medium-sized enterprises, such as the No. 1 Motor Vehicle Group and Jilin Chemical Industry Group, and new enterprise patterns, such as those of the Siping Hongzui, Deda, and Dongbao Groups, have been created, thus revitalizing economic development.

Development promoted opening up, which in turn facilitated development. Jilin has achieved breakthroughs in opening to the outside world over the past three years, its construction of development zones has entered the track of healthy and speedy development, an unprecedented new situation has emerged in introducing investment from abroad, and border trade has been brisk.

The conference pointed out: The three years between 1995 and 1997 constitute a period that spans the Eighth and the Ninth Five-Year Plan periods, a crucial period for establishing and improving the socialist market economy system, and an initial period for comprehensively starting the transcentury grand project of building a developed border province near the sea. Judging from the domestic and world situation, Jilin still faces a good opportunity for accelerating development and opening wider to the outside world. Speeding up the development in this period will play an important role in inheriting the past and ushering in the future.

After conscientiously analyzing the experiences in and favorable conditions for economic development, the conference studied the plan for promoting Jilin's economy to another new height. The basic ideas for this plan are, following the principle of "seizing the opportunity, deepening reform, opening wider, promoting development, and maintaining stability" and the overall strategy of building a developed border province near the sea; aiming at enhancing the overall economic strength and focusing on upgrading industrial quality, to further stabilize the fundamental position of agriculture, to intensify construction of infrastructural facilities, to strive to alleviate the restriction of the bottleneck, to continuously expand the pillar and advantageous industries, to cultivate new- and new-tech industries more rapidly, to greatly develop the tertiary industry, and to upgrade the level, broaden the fields, and improve the quality of the endeavor of opening to the outside world. While attaching importance to efficiency, science and technology, and quality, we should bring the overall economic strength to a new height. Major tasks are 1) to greatly develop agriculture and the rural economy, 2) to strengthen and rejuvenate industry, 3) to accelerate the development of the tertiary industry, 4) to greatly expand the export-oriented economy, and 5) to strive to improve people's living standard.

The conference heard the report on the "opinions on accelerating rural areas' endeavor to achieve a moderately prosperous life" given by the rural work office of the provincial party committee. It held: Jilin's rural

economy has witnessed very rapid development since reform and opening up started. As early as the mid-eighties, it by and large secured a life with enough food and clothing, entered fairly early the period for building the project of achieving a moderately prosperous life, and won notable results. Governments at all levels should profoundly understand the important significance in rural areas' endeavor of achieving a moderately prosperous life from the perspective of building a developed border province near the sea and attaining the third-step strategic objective. They should enhance the sense of historical responsibility and the sense of urgency toward work, lead the masses to a moderately prosperous life at an early date, and make sure that rural areas achieve a moderately prosperous life three years ahead of schedule as required by the sixth provincial party congress.

They should work out clear targets for the moderate prosperity project, organize forces to fulfill them step-by-step, promote work to develop various rural undertakings, and industrialize agriculture to accelerate rural economic development. They should make active efforts to develop rural public undertakings to promote overall social progress. They should improve the quality of peasants and facilitate scientific and technological advance. They should deepen rural reform and invigorate the mainstay of the market. Achieving a moderately prosperous life is the central task for the nineties, and all the work in rural areas should be subordinate to and serve this central task. Governments at all levels should put this central task in the first place and let it dominate all other work in rural areas.

The conference urged: After soliciting opinions extensively, departments concerned should conscientiously revise the above-mentioned two materials and submit them to the forthcoming fourth plenary session of the sixth provincial party committee for discussion and decision.

The conference also heard a report by the provincial civil affairs bureau on Jilin's disaster relief work and a report by the party work committee of the organs directly under the province on these organ's efforts to donate bedding and clothing to disaster areas and support their housing construction. This year, most areas in Jilin were hit by floods rarely seen in our history, and serious losses were incurred by the state and to people's lives and property. According to statistics, 37 cities and counties (districts) were hit by disasters, and 5.213 million people were afflicted. A total of 1.354 million hectares of farmland were damaged, and 314,000 rooms collapsed, causing a direct economic loss of 5.653 billion yuan. After the floods, all disaster areas, following the arrangements of the provincial party committee and government, swiftly shifted their work focus to disaster relief. With the great support of the entire society, the vast number of cadres and people in the disaster areas relied on their own efforts and exerted arduous efforts to effectively resolve the difficulties in the food, clothing, housing, and medical service of the disaster-afflicted people and to better

restore and develop the agricultural production of the disaster areas. At present, the disaster-afflicted people have stable feelings, the social order is good, and house rebuilding and autumn harvest are proceeding smoothly. This year's disaster relief work had the following characteristics. 1) Party committees and governments at all levels attached great importance to it and provided organizational and leadership guarantees to ensure the smooth progress of the disaster relief work. 2) Persistently relying on their own efforts, people in the disaster areas enhanced their capacity to help themselves. 3) People in the entire society were fully aroused to form a joint force for the disaster relief work. In particular, the organs directly under the province vigorously carried out the disaster relief work with real results. They donated nearly 200,000 pieces of bedding and clothing and nearly 400,000 yuan to the disaster areas. The 98 departments directly under the province took the responsibility to help repair and build houses for afflicted people in eight key counties (cities) in the province. They contributed 3,234,300 yuan of housing construction funds, 600,000 yuan of loans, and 250,000 yuan worth of materials to the disaster areas. Funds, policies, and construction forces were by and large in place for the housing construction of the disaster areas. Before winter comes, 300,000 rooms, or 95 percent of the total collapsed rooms, may have been built in the province to provide new houses to the concerned masses. Proper arrangements have also been made to other people whose collapsed houses have not been rebuilt so that they can pass the winter safely. The conference held: The large scope of the disaster relief work, the large number of persons participating in it, and the large amount of donations were all rare in recent years. This manifests the superiority of the socialist system. The conference decided to summarize the experiences in this disaster relief work and commend the units and individuals who have made outstanding contributions to it.

The conference also discussed other relevant issues.

Attending the conference were Liu Xilin, Wang Guofa, Wei Minxue, and Liu Shuying, vice governors; and Wu Guangcui, secretary general of the provincial government. Comrades in charge from the pertinent departments directly under the province attended as observers.

Northwest Region

Qinghai Secretary Relays Plenum Guidelines

HK3110071594 Xining QINGHAI RIBAO WEEKEND EDITION in Chinese 7 Oct 94 pp 1, 3

[Report by Ye Sen (0673 2773) and Ma Xianguang (7456 7359 0342); "Provincial Party Secretary Yin Kesheng Relays the Fourth Plenary Session Guidelines at an Enlarged Meeting of the Provincial CPC Committee's Standing Committee"]

[FBIS Translated Excerpt] On 6 October, provincial party Secretary Yin Kesheng relayed the guidelines of

the Fourth Plenary Session of the 14th CPC Central Committee at an enlarged meeting of the provincial party committee's Standing Committee.

Present at the meeting were provincial Deputy Secretary Cai Zhulin and members of the provincial party committee's Standing Committee, including Doba, Yao Xiangcheng, Li Mingjin, and Feng Mingang.

Yin Keshing first briefed the meeting on the situation of the Fourth Plenary Session of the 14th CPC Central Committee. [passage omitted]

Yin Keshing stressed the need to understand the following three points in studying and implementing the decision of the Fourth Plenary Session of the 14th CPC Central Committee:

First, correctly understand the current situation of the party and fully confirm the great achievements since the introduction of reform and opening up.

For the first time the decision sums up the great achievements in party building over the last 16 years in the five aspects of ideological construction, theoretical construction, political construction, organizational construction, and workstyle construction and irrefutably proves that the CPC is a powerful core of leadership for China's socialist modernization. An important point in studying and implementing the decision is to correctly analyze and understand the current situation, to be aware of the main aspect and achievements, to unify the entire party's ideological understanding with the Fourth Plenary Session guidelines, to have more confidence, to improve consciousness and determination in implementing the party's basic line, to further emancipate thinking, to seek truth from facts, and to resolutely advance along the road of reform and opening up.

Second, profoundly understand the scientific conclusion of "a new and great project."

The decision of the Fourth Plenary Session explicitly points out that party building in this new historical period is "a new and great project continued by the entire party under the leadership of the third generation central leading collective with Comrade Jiang Zemin as the core, initiated by the second generation leading collective with Comrade Deng Xiaoping as the core." This scientific conclusion must be more deeply understood from four aspects:

1. At present, the international and domestic situation is quite favorable to us. This is a good opportunity for reform and construction and is also a good opportunity for strengthening party building. [passage omitted]

2. In carrying out this "new and great project," Comrade Deng Xiaoping's theory on party building must be taken as guidance. [passage omitted]

3. The objective of the "new and great project" is to build the party into a Marxist political party that is

armed with the theory of building socialism with Chinese characteristics, that can wholeheartedly serve the people, that is completely consolidated in ideology, politics, and organization, that can stand all kinds of risks, and that can always remain in the forefront of the era.

4. The main contents of the "new and great project" are the party's ideological, workstyle, and organizational construction. These three important components complement each other and form an entity. [passage omitted]

Third, doing a good job in the three aspects of the party's organizational construction.

1. Upholding and improving democratic centralism, which is the fundamental organizational and leadership system of the party and is a scientific, rational, and efficient system. [passage omitted]

2. Strengthening and improving grass-roots party organizations, which serve as the foundation for the party's entire work and combat worthiness and undertake the important responsibility of forming direct links with the masses, carrying out propaganda among the masses, organizing and uniting the masses, and implementing the party's line, principles, and policies at the grass-roots level. [passage omitted]

3. Training and selecting leading cadres who have both ability and political integrity. This is a major issue involving the overall situation. The entirely new cause of building socialism with Chinese characteristics and the complicated international situation have set new and higher demands on all levels of leading cadres. There is a need to comprehensively improve the current leading cadres' quality and to build all levels of leadership groups into powerful leadership collectives that resolutely carry out the party's basic line, that wholeheartedly serve the people, and that can exercise leadership over modernization. [passage omitted]

In light of Qinghai's specific conditions, Yin Keshing initially raised the following proposals on studying and implementing the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee:

1. Relaying the Fourth Plenary Session guidelines as soon as possible and rapidly bringing about an upsurge of study.

The Fourth Plenary Session guidelines must be speedily disseminated among all party members to bring about an upsurge in studying the guidelines throughout the province. [passage omitted]

2. Convening a plenary session of the provincial party committee to make detailed arrangements for strengthening party building.

To properly study and implement the Fourth Plenary Session guidelines, it is necessary to put into effect all tasks set by the decision. The Third Plenary Session of the Eighth Qinghai Provincial CPC Committee has been

scheduled for November to make detailed arrangements for party building throughout the province. Prior to this, all localities and departments should conduct profound surveys, analyze the prominent problems and weak links in party building in their localities and departments, and put forward measures and suggestions on strengthening party building. [passage omitted]

3. Strengthening supervision and inspection over implementation of the spirit of the Fourth Plenary Session.

The relevant provincial-level departments and all levels of party committees must strengthen their supervision and inspection over the implementation of the Fourth Plenary Session's decision. The higher-level party committees must also conscientiously inspect principal leading comrades in all localities and departments on how they implement the decision. The provincial party committee plans to form inspection teams in the first quarter of next year to conduct comprehensive checks in localities and departments over the implementation of the decision, with focus on how they study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, how they improve their party style, how they combat corruption, how they exercise the inner-party supervisory system, how they practice democratic centralism, how they improve grass-roots party organizations, and how they train and select cadres. Experience in this respect will be summed up to promote the relevant work.

4. Making great efforts to fulfill the work in the fourth quarter of this year and to complete this year's tasks.

Since the beginning of this year, party members, cadres, and the masses of all nationalities in the province have profoundly carried out the instructions of the 14th CPC National Congress and the Third Plenary Session of the 14th CPC Central Committee; have properly handled the relations between reform, development, and stability in strict accordance with the overall situation of "seizing the opportunity, deepening reform, widening the opening up scope, promoting development, and maintaining stability"; and have made efforts to fulfill all aspects of work. The general situation in the province is good, with a developed economy, stable politics, good nationality solidarity, social progress, and the people living and working in peace and contentment. There are only three months left this year. We must make greater efforts to fulfill work in all fields and this year's tasks. [passage omitted]

Shaanxi Governor on Curbing Inflation

HK2710100394 Xian SHANNXI RIBAO in Chinese 9 Sep 94 p 1

[Report: "Governor Bai Qingcai (4101 3237 2088) Holds Governor's Work Meeting on Curbing Inflation and Stabilizing Prices"]

[FBIS Translated Text] During the forenoon of 8 September, Governor Bai Qingcai held a governor's work

meeting, listened to reports by the provincial departments concerned on curbing inflation and stabilizing market and prices, studied and relayed carrying out the spirit of the State Council TV and Telephone Meeting, and further strengthened policies and measures for price management work. The meeting called for various localities and cities to take practical and effective measures promptly, work conscientiously, strengthen supervision and management over market prices, strive to achieve results in the coming four months, ensure market prosperity, and create a more favorable environment for the intensification of reform and the development of the national economy throughout the whole province.

Provincial Vice Governors Wang Shuangxi (3769 7175 6932), Liu Chunmao (0491 2504 5399), Jiang Xinzen (91203 0207 4176); Secretary General Gong Deshun (7255 1795 7311); and the chief leading comrades from the provincial departments concerned attended the meeting. Chief leading comrades from the provincial department of commerce, department of agriculture, bureau of industry and commerce, bureau of commodity prices, and the provincial people's bank respectively reported on the situation of stabilizing market and prices in the province.

This year, drought and flood disasters in Shaanxi Province have been frequent and losses have been extremely serious. However, the market situation regarding the major means of livelihood and means of production as a whole has been fine, the purchase and sale prices of grain have been successfully introduced, the commodity market has maintained overall stability, the supply of the great majority of commodities has been quite stable, and the market has maintained a certain degree of prosperity and met the needs of production and construction and the lives of the people in a better way. However, too big an increase in prices has become an outstanding problem in economic operations and the contradiction between price increases and the bearing capacity of the broad masses of the people has become a hot point of public discussion.

Governor Bai Qingcai made an important speech after listening to the reports. Governor Bai pointed out that the core of the market was prices and that the fundamental problems of prices were the sources of supply. Therefore, under the circumstances of suffering from disasters in agriculture in large areas of Shaanxi Province, besides doing a good job in production and self-relief, we must make good arrangements for production, ensure market supply, and guarantee basic stability in the prices of daily necessities for the masses of the people. When he talked about how to view the problem of price readjustments for agricultural products, and that of grain in particular, Governor Bai Qingcai pointed out that price readjustments for agricultural products, especially that of grain, had spurred on the price increases of a number of processed products with grain as the raw material. These kind of price increases, except for reaping excessive and staggering profits, are actually a

type of normal phenomenon which increased the income of the peasants and was advantageous to the development of agriculture. The disasters this year affected the source of supply for vegetables, so prices went up, and if autumn vegetables grow well, they will come down. These are normal situations in the course of rationalizing prices. Therefore, to solve the problem of the source of supply is the key to stabilizing the market. At present, we should seize the opportunity, purchase vigorously, allocate and transport in time, and not miss the right season for autumn sowing.

When he talked about strengthening supervision and management over market prices, Governor Bai Qingcai pointed out that the socialist market economy is not a laissez-faire free economy, in which no intervention is made by the government, but was placed under macroeconomic regulation and control by the state. To take administrative measures for regulation and control was also one of the indispensable means. This was not blind and could be done at will but must be built on the basis of the law of value. To respect the law of value, it is necessary to take into account both the interests of the producers and to protect those of the consumers in the market. Therefore, it is necessary to work out management methods by categories according to the different positions of market commodities in the economic life. First, carry out strict management over commodities under the state's centralized control; second, put into effect ceiling prices; third, control differential rate; fourth, practise guiding prices; and fifth, put into effect prices set by market supply and demand. Different methods are taken by classification to achieve the goal of stabilizing prices, promoting production, and creating a prosperous market.

Governor Bai stressed in particular that state-owned enterprises should play a leading role in stabilizing prices and the market. The unsound market growth had given an opportunity that could be exploited to the advantage of certain staggering profit reapers. The emergence of these situations must never be summed up as having developed by the individual or private economy. It is necessary first of all to exercise control by strict administrative measures to help state-owned enterprises set prices rationally. Now, the posture of market competition has built up. The quality of services is being improved, which is a good aspect, but under such circumstances some state-owned commercial enterprises took advantage of the commodities under their control and raised prices to seek high profits when the supply and demand relations were tense. Such kind of economic performance did produce a certain amount of revenue but quite a lot of it was lost when linked with work efficiency. Therefore, state-owned enterprises should first of all sell at marked prices and the departments concerned should make known guiding prices to the public, so that their power of operation can be rationally exercised. It is necessary to make state-owned enterprises realize that the socialist economy is based on public ownership. State-owned enterprises should have

economic performance and must not seek irrational economic performance by forcing up prices. State-owned commercial enterprises in particular should play a leading role in stabilizing market prices and keep the major market channel in their own hands to maintain relative market stability. It is necessary to quickly formulate rational profit rates. State-owned enterprises are required to achieve break-even results with meager profits but break-even results should be based on proper management methods and they must not cover up their improper management and cost increases by price increases. It is necessary to bring into full play the leading role of state-owned enterprises in stabilizing prices, to guarantee the livelihood of the people, free them from worry, and ensure social stability. The superiority of socialism is thus brought into play. Governor Bai asked the departments concerned to establish and improve the grain fund risk system and nonstaple food fund risk system in Shaanxi Province as soon as possible to strengthen the government means of regulation and control.

Bai Qingcai called for the departments concerned to strictly punish and deal resolute blows at the illegal acts of playing the market bully, hoarding and cornering, driving up prices, and reaping staggering profits. For complaints about increases in bus and trolley fares reported by the masses, it is necessary to take measures to press them down resolutely. It is necessary to protect legitimate operations and reduce intermediate links. It is necessary to build an effective prices supervision mechanism, organize and build up a prices supervision team in which the people's deputies and the masses from various circles participate, and mobilize the masses to strengthen supervision and examination of prices. Finally, Governor Bai pointed out that to control prices and to fight natural calamities and provide disaster relief are matters of prime importance at present. Party committees and governments at various levels should reach a common understanding and mobilize everyone to make concerted efforts to tide over difficulties. This is also a criterion for judging whether or not we are true or sham in serving the people and whether or not we are truly capable or just fakes.

Vice governors Wang Shuangxi, Liu Chunmao, and Jiang Xinzen, and Secretary General Gong Deshun also put forward specific opinions on stabilizing the market and prices.

Acting Xinjiang Secretary Addresses Plenum

*OW3010121794 Urumqi Xinjiang Television Network
in Mandarin 1330 GMT 25 Oct 94*

[From the "Xinjiang News" program]

[FBIS Translated Text] The Seventh Enlarged Plenary Session of the Fourth Xinjiang Uygur Autonomous Regional CPC Committee opened in Urumqi on the morning of 25 October. The meeting mainly aimed at comprehensively implementing the guidelines of the

Fourth Plenary Session of the 14th CPC Central Committee, emphatically studying and discussing issues concerning strengthening party building in Xinjiang, deliberating and adopting Xinjiang Uygur Autonomous Regional CPC Committee opinions on implementing the Fourth Plenary Session guidelines, strengthening party building, and several other important issues, as well as studying and arranging work for the last two months of this year and for next year. Abdulahat Abdurixit, deputy secretary of the Xinjiang party committee and chairman of the Xinjiang people's government, chaired the morning meeting. Also attending the meeting were Wang Enmao, former vice chairman of the national committee of the Chinese People's Political Consultative Conference; Wang Lequan; Janabil; Amudun Niyaz; Jin Yunhui; Keyum Bawudun; Guo Gang; Zhou Shengtao; Hailiqiemu Silamu; Pan Zhaomin; Li Fengzi; and other leaders of Xinjiang. [Video shows a meeting hall with approximately 500 people; video shows close-ups of the aforementioned Xinjiang leaders, who are seated at a long table facing other participants, as their names are read out by the announcer]

Acting Xinjiang party Secretary Wang Lequan delivered a speech entitled Conscientiously Implement Guidelines of the Fourth Plenary Session of the 14th CPC Central Committee, Strengthen Party Building, and Promote Economic Development. [Video alternately shows Wang Lequan speaking from a prepared script and meeting participants throughout the report]

Wang Lequan said: Since the Third Plenary Session of the 11th CPC Central Committee, Xinjiang has made significant progress in economic and social development. The party has been toughened and strengthened in the course of leading Xinjiang toward modernization. The Xinjiang party committee has taken a series of measures and done a great deal of work to strengthen party building with satisfying results. Party organizations at various levels in Xinjiang have played the role as the core of leadership in carrying out the party's basic line, vigorously promoting reform and construction, enhancing national unity, fighting national splittism, safeguarding the motherland's unification, and maintaining social and political stability, among others. However, there is no need to deny that there are many problems in Xinjiang's party building under the new circumstances. As a frontier region bordering many countries, Xinjiang is situated in a more complicated international environment and, as an economic backwater, is faced with an even more arduous construction task. Compared with other fraternal provinces and regions, strengthening and improving party building seem even more imperative and important in Xinjiang.

Wang Lequan noted: We should arm cadres with party memberships in Xinjiang with the theory of building socialism with Chinese characteristics and further intensify ideological work within the party. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is a scientific guideline and spiritual prop

for us to promote reform, opening up, and the modernization drive, as well as to engage in new historical work with creativity. Conscientiously studying this theory and arming the entire party with it are our strategic tasks in strengthening party building and fundamental construction for the new great project of improving the party itself. To intensify the study of theories, first of all, we should make sure leading bodies and cadres have studied them. In the meantime, theories should be studied in line with the opportune time for economic construction, reform, opening up, party building, the building of spiritual construction, and personal thinking to raise ideological and theoretical levels and promote various tasks.

Wang Lequan said: We should carry forward the party's fine traditions and continue to improve the party's workstyle. Improving the party's workstyle is currently of most concern to the people. Party organizations at various levels in Xinjiang have attached serious importance to the party's workstyle and the building of a clean government and have done a great deal of work with some results. However, their achievements still fall far short of the requirements of the CPC Central Committee and the people. We should attach great importance to the people's requirements and call for eliminating negative decadent phenomena and improving the party's workstyle and create a favorable environment for reform and construction through enhancing the party spirit among the broad masses of party members, carrying forward the party's fine traditions, and wiping out corruption. Leading cadres at various levels should further display the fine tradition of waging hard struggle, vigorously publicize and advocate the spirit of selflessness and dedication, adopt a down-to-earth and practical workstyle and a workstyle of creativity and taking reality into consideration, forge close ties with the people and be concerned about their weal and woe, and continue the anticorruption campaign in depth.

[FBIS Translated Text] Wang Lequan emphatically noted: We should strengthen the construction of party organizations to create a solid guarantee for the advancement of reform, opening up, and the modernization drive. He said: Democratic centralism is the CPC's basic system of organization and leadership. The practice of democratic centralism by party organizations at various levels, state organs, and mass organizations in Xinjiang is generally satisfactory. However, the problems of insufficient democracy and centralism exist to different degrees, particularly the problem of insufficient centralism. Some of our leading bodies and cadres appear to have a poor understanding of democratic centralism and the consciousness of practicing it in recent years. Some even have the ambiguous idea that so long as we engage in developing a market economy, centralism and state macroeconomic regulation and control are not necessary. The party's leadership and the state's macroeconomic regulation and control are not meant to nullify or weaken the development of a socialist market economy, but to strengthen it. In practicing democratic centralism,

we should properly settle the problem of subordinating the interest of a part to that of the whole. Every leading comrade should further enhance his concept of overall interest. When there is a conflict of interest between the part and the whole, they should actively serve and support the interest of the whole, make sure that the CPC Central Committee and the State Council decrees are relayed and carried out, and guarantee that Xinjiang party committee and government decisions are comprehensively implemented.

Grass-roots party organizations are the foundation of the CPC's entire work and fighting capacity; their conditions have a direct bearing on the overall situation of reform, development, and stability. Xinjiang has clearly set the course for and accumulated some experience in building grass-roots party organizations in agricultural and pastoral areas. In the coming winter and next spring, village-level party organizations must continue to straighten out backward party branches by stressing replacing weak and slack bodies as in the past. As for good and better party branches, they must be strengthened exactly according to the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee, so that all kinds of systems will be put into practice. Party organization leadership should be further strengthened and improved, with the emphasis on the study of ways to step up economic development and improve the people's living standards to a fairly comfortable level.

Wang Lequan said: We should attach importance to training and selecting leading cadres with both ability and political integrity. Generally speaking, Xinjiang's cadres are excellent. Because of some special reasons, however, the problems of cadres' low quality and their failure to cope with the new situation of reform, opening up, and the modernization drive are quite conspicuous.

Our pressing task now is to significantly raise cadre quality. In selecting cadres, we must uphold the principles of four modernizations, ability, and political integrity and particularly take reality into consideration, so that party organizations at various levels in Xinjiang will have higher fighting capability, greater cohesiveness, and are full of vigor and vitality.

In addition to some requirements for the last two months of this year, Wang Lequan forwarded eight suggestions concerning next year's work: 1. Further strengthen the role of agriculture as the national economy's foundation; 2. Step up the pace of industrial production by starting with strengthening management and readjusting structure; 3. Step up the construction of key projects and maintain moderate and stable growth in assets investment; 4. Step up development in foreign trade and invite more foreign investments; 5. Strive to maintain basic stability in commodity prices; 6. Accelerate the drafting of the 1995 program for national economic and social development and the preparations for drafting the Ninth Five-Year Plan; 7. Do more practical work for people of various nationalities to greet the 40th anniversary of the establishment of the Xinjiang Uygur Autonomous Region; and 8. Continue to pay high attention to the work for stability.

Regional party committee members and alternate members attended the meeting. Over 500 people attended as observers, including regional commission for discipline inspection members; leading responsible comrades from the regional people's congress and CPPCC regional committee; leading responsible comrades from various departments, commissions, offices, bureaus, prefectures, autonomous prefectures, cities, and counties, and division-level cadres of production and construction corps.

Li Teng-hui Says Independence 'Impractical'

OW310115494 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 28 Oct 94

[From the "Hookup" program]

[FBIS Translated Text] President Li Teng-hui pointed out yesterday: The call for Taiwan independence is an advocacy that will bring about self-isolation and, therefore, is impractical. However, pursuing the goal of national reunification accords with the long-term interests of Chinese people inside and outside China.

President Li Teng-hui also said: The national Army is an army whose task is to safeguard the Republic of China [ROC] Constitution. It is the national Army's bounden duty to safeguard the freedom and democracy of the 21 million people in Taiwan, Penghu, Quemoy, and Matsu.

Yesterday, President Li Teng-hui went to the Army Officers Academy in Fengshan to preside over a ceremony welcoming the new recruits of 1994. In his address at the ceremony, President Li Teng-hui encouraged the new cadets to recognize the current objective of the country, understand the National Army's duty and honor, increase their modern military knowledge, and obey orders at all times.

President Li Teng-hui said: In recent years, we have marched into a truly democratic and free society, but the country is still in a difficult situation. What the Chinese Communists do today—be it their external statements or their arms expansion activities—shows that they have not abandoned attempts to use force against Taiwan, that they are not willing to recognize the fact that the two sides are separated and (ruled by different governments), and that they are vainly attempting to eliminate the ROC. Meanwhile, they have been trying again and again to isolate us and attack us internationally. We must strengthen our national defense if we are not to be cowed by their military threat [words indistinct].

Li Hopes To Attend International Conferences in Japan

OW2910142094 Taipei CNA in English 1340 GMT 29 Oct 94

[By Victor Lai]

[FBIS Transcribed Text] Tokyo, Oct. 29 (CNA)—In a message to the Asia Open Forum in Yokohama on Saturday, ROC [Republic of China] President Li Teng-hui expressed the hope that he would be able to attend international conferences in Japan in the future.

In the message, delivered by ROC Minister Without Portfolio Huang Shih-cheng, Li said organizers of the conference had originally planned to invite him, but that the plan had to be aborted because of the Hiroshima Asian Games incident.

President Li had been invited by the Olympic Council of Asia to attend the Asian games, but the trip failed to materialize because of pressure from Beijing.

Li expressed his deep regret for being unable to attend the Yokohama forum.

NHK TV reported Saturday evening that President Li has already indicated his desire to attend the Asia-Pacific Economic Cooperation Forum's informal summit in Osaka next fall.

Ministry Denies Japanese Weekly Interview With Chien Fu

OW3110000194 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 23 Oct 94

[From the "Hookup" program]

[FBIS Translated Text] The Foreign Ministry issued a statement on 23 October, dismissing as unfounded the contents of a special feature on a visit to the Republic of China [ROC] written by Japanese weekly POST reporter (Masashi Takao), which quoted an interview with Foreign Minister Chien Fu. In connection with this matter, (Masashi Takao) recently made a formal apology through Japan's Exchange Association's Taipei office to Minister Chien Fu. However, the minister has already instructed the office of the ROC representative in Japan to study whether legal action should be taken regarding this matter. According to the Foreign Ministry, the quoted comments in the interview with Minister Chien Fu in (Masashi Takao)'s special feature on a visit to the ROC were actually made by Japanese Upper House member Masakuni Murakami.

Official Responds To Lord Statement on Submarine Sale

OW2910081094 Taipei CNA in English 0719 GMT 29 Oct 94

[By N. K. Han and Sofia Wu]

[FBIS Transcribed Text] Taipei, Oct. 29 (CNA)—Taiwan will continue attempts to purchase new submarines to beef up its defense capabilities, naval authorities said Saturday [29 October].

They were responding to a written statement by Winston Lord, U.S. assistant secretary of state for East Asian and Pacific affairs, saying Washington would not sell and equip submarines for Taiwan because it views submarines as an inherently offensive weapon system.

Noting that submarines play an important role in Taiwan's overall defense system, naval officials said Taiwan must purchase more subs and sub-launched weapons to ensure its national security.

Taiwan now has two Dutch-made submarines. "Several countries have expressed interest in negotiating sub deals with Taiwan," said a naval official, who demanded anonymity.

In Washington, Lord said earlier this week in a written reply to questions from senators submitted at a September congressional hearing that providing Taiwan with submarines would add a new and destabilizing element in the Taiwan Strait.

He also argued that refusal to sell and to equip submarines for Taiwan has been the consistent policy of the administrations of both political parties since well before Washington's 1979 normalization of relations with Beijing.

Navy Chief Dismisses Report of Submarine Sighting

OW2810152594 Taipei CNA in English 1324 GMT 28 Oct 94

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Oct. 28 (CNA)—A high-ranking naval officer on Friday [28 October] dismissed reports that a suspected mainland Chinese submarine was spotted in seas off southern Taiwan three months ago.

According to news reports, the submarine was sighted [words indistinct] operating in the vicinity of Liuchiu Yu, an island about 20 nautical miles from the southern city of Kaohsiung.

Admiral Ku Chung-lien, navy commander-in-chief, told the press, however, that an investigation [words indistinct] showed that water levels in the area were not deep enough for submarine operations. "Some other object could have been mistakenly identified as a submarine by fishermen because of bad weather," Ku said.

He said the Navy is considering forming an anti-submarine command unit to coordinate anti-sub operations currently run separately by the Navy and Air Force. The Ministry of National Defense will have final say on the proposal, he added.

The military reported a mainland diesel-powered submarine off the Penghu islands (the Pescadores) while it was conducting a military exercise there in May. The lone submarine was encircled by the ROC Navy and forced to stay under water for some time before it was eventually allowed to [words indistinct] according to a report released later by the Defense Ministry.

Taiwan and Mainland China are still technically at war even though Taiwan has unilaterally announced the end to the decades-old "mobilization period," during which the Chinese communists had been regarded as a rebellious group.

Transportation Minister Injured in Traffic Accident

OW2910075794 Taipei CNA in English 0714 GMT 29 Oct 94

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Oct. 29 (CNA)—Minister of Transportation and Communications Liu Chao-hsuan was injured in a car accident Saturday [29 October] morning on his way to a meeting.

Liu suffered injuries to his head and legs after his chauffeured automobile slammed into a safety island while attempting to avoid collision with a cargo van speeding through a red light. The accident occurred at the crossroads of Hsinyi Road and Shaohsing South Road, police said.

Liu's aide, who was sitting next to the driver in the front seat of the car, also sustained head injuries. Liu and his aide were both rushed to National Taiwan University [NTU] Hospital for emergency medical care. The driver was not injured in the crash.

The van fled the scene, police said.

According to a head NTU hospital physician, Liu and his aide suffered superficial cuts and bruises in the crash. The two will remain in the hospital for the next two days to undergo tests for possible brain damage.

Hong Kong

Governor's Remarks Anger XINHUA Official

HK2910073594 Hong Kong HONGKONG STANDARD
in English 29 Oct 94 p 2

[By Laura Chan]

[FBIS Transcribed Text] Firing a fresh round of criticism at Governor Chris Patten, Beijing has charged him with trying to stir up trouble between Hong Kong people and China. The deputy director of the official XINHUA News Agency Zhang Junsheng, said Mr Patten told London reporters that Britain—as paraphrased by Mr Zhang—would give “responsibility for Hong Kong back to Hong Kong people”.

This was a serious problem for China, he said. “After 30 June 1997, the British will hand Hong Kong back to China. The central government will establish the Special Administrative Region (SAR) after they resume sovereignty. “Hong Kong people will rule Hong Kong and enjoy a high degree of autonomy. All this is entirely our internal affairs.

“How can Mr Patten say he put Hong Kong back into the hands of the Hong Kong people?” Mr Zhang asked. XINHUA also accused Mr Patten of “intentionally violating the Joint Declaration and stirring up contradictions between Hong Kong people and the Chinese government”.

With less than three years left before the Chinese take-over, Mr Zhang said the British should comply with the Joint Declaration. Shifting to another sensitive topic, Mr Zhang said he did not know exactly when the airport financing agreement would be sealed, but confirmed Mr Patten’s remarks in London that the signing was “imminent”.

Editorial: Clinton, Jiang To Discuss Hong Kong

HK2910073794 Hong Kong HONGKONG STANDARD
in English 29 Oct 94 p 12

[FBIS Transcribed Text] Hong Kong is an international city and what happens to this place from now until 1997, and beyond, is of concern to the world, not least to the United States whose businessmen have invested heavily here. The territory’s importance as a global trading and financial centre is highlighted by the fact that US President Bill Clinton and his Chinese counterpart, Jiang Zemin, are expected to discuss the Hong Kong issue, among other things, in Jakarta next month. The two leaders will meet at the 14 and 15 November meeting of heads of state of the Asian Pacific Economic Cooperation (Apec) forum in the Indonesian capital.

A Chinese Foreign Ministry spokesman in Beijing said at a press conference yesterday Hong Kong would be on the agenda. It must be acknowledged, of course, that the Hong Kong issue is likely to be upstaged by other aspects of the Sino-US relationship which has been plagued by

disputes in recent years over arms proliferation, human rights and trade. China warned the United States last month that Washington’s upgrading of relations with Taiwan was a potentially “explosive issue” that could have grave consequences for Sino-US ties.

Pro-Beijing legislator Tam Yiu-chung has indicated that any discussion of the Hong Kong issue in Jakarta is unlikely to be very detailed since this territory represents only a small part of the bi-lateral relationship. But the mere fact that China is willing to talk to the Americans about Hong Kong is a cause for optimism. It is an indication that China is adopting a practical attitude and recognises that the United States is a major investor here.

Mr Jiang can be expected to explain to Mr Clinton the principles governing China’s Hong Kong policies. This newspaper does not believe that the Hong Kong issue should be internationalised. Basically, it is a matter for China and Britain now and it will be a domestic issue for Beijing after 1997. The fact remains, though, that international concern will help to ensure that promises made in such documents as the Joint Declaration will be honoured after 1997.

Noting that Washington has now de-linked the renewal of China’s most favoured nation trading status from the human rights issue, some legislators have expressed the hope that Mr Clinton will encourage China to show some progress on human rights.

This paper has stressed in the past that while supporting change in China, we believe the best way to achieve this is by working with Beijing—by attempting to bring China into the mainstream—and not through antagonising Beijing by constantly “tweaking its nose” on the human rights issue.

‘Closed-Door’ Meeting Highlights Ambiguities of PWC

HK2910060994 Hong Kong SOUTH CHINA MORNING POST in English 29 Oct 94 p 5

[By Linda Choy]

[FBIS Transcribed Text] Senior Chinese and Hong Kong monetary officials took part in an unprecedented meeting on the linked exchange rate policy in the territory yesterday. The closed-door meeting, which also involved senior bankers, highlighted ambiguities in the Government’s policy of banning officials from participating in “formal meetings” of the Preliminary Working Committee (PWC).

Deputy chief executive of the Hong Kong Monetary Authority (HKMA), Andrew Sheng Len-tao, delivered a seven-page speech to the meeting. Mr Sheng became the first member of the Government’s executive-arm to attend a PWC meeting after the Chief Secretary Anson Chan Fang On-sang issued a set of guidelines early this month.

Under the guidelines, civil servants should not take part in formal meetings of the PWC. A HKMA spokesman said Mr Sheng's presence at the seminar did not violate any of the guidelines because the meeting was an "informal" one. The meeting was attended by 12 PWC members and 15 local banking and financial leaders including the Hongkong Bank's chief financial officer, Vincent Cheng Hoi-chuen, and the head of Citibank's country corporate office, Anthony Leung Kam-chung.

Deputy governor of the People's Bank of China, Chen Yuan, was among the mainland members who flew from Beijing for the meeting. In his speech, Mr Sheng said: "The linked exchange rate has been a firm anchor for monetary stability and has more than proved its resilience to external shocks." "The Hong Kong Government is fully committed to maintaining the link. "In addition to its existing monetary armoury, the HKMA will continue to review the existing mechanism for monetary management to see whether, and if so what, further reform measures would be needed to further maintain monetary stability, both before and after 1997."

Speaking after the meeting, Mr Chen said any drastic change to the currency system would be undesirable. He said PWC members had received an assurance from both the Government's representative, Mr Sheng, as well as other leading bankers of the need to maintain the link. He said the seminar was held to assure the financial sector, both local and overseas, of Hong Kong's determination to carry on with the pegged system in the future. Mr Chen stressed the stability of the currency system would be crucial to the stability and prosperity of the territory. The Hong Kong dollar should not be unhooked from the US dollar, nor should it be linked to other foreign currencies, he said.

Meetings With Chief Secretary Open to Media

HK2910061394 Hong Kong SOUTHERN CHINA MORNING POST in English 29 Oct 94 p 5

[FBIS Transcribed Text] Legislators decided to open their bi-monthly meeting with the Chief Secretary to the media. At yesterday's House Committee meeting, most members voted for the idea, put forward by Jimmy McGregor and Martin Lee Chu-ming. No one opposed the idea although several people did not vote. Mr Lee rejected claims that closed meetings would allow frank exchanges. If an officer wanted to say something, they would regardless of the presence of reporters.

Chief Secretary Anson Chan Fang On-sang recently attacked legislators for "unconstructive criticisms". Acting House Committee chairman Andrew Wong Wang-fat said Mrs Chan had indicated she found the media idea agreeable. The topic of the first open meeting will be "Government contacts with China".

Beijing Threatens Change in BNO Passport Status

HK2810054494 Hong Kong EASTERN EXPRESS in English 28 Oct 94 p 1

[By Rain Ren and Shiny Li]

[FBIS Transcribed Text] Visa-free status granted to holders of the British National (Overseas) [BNO] passport is at stake because Beijing is set to refuse to guarantee it will allow BNO passport holders who are deported from another country back into Hong Kong.

The guarantee of the returnability of a passport holder—the obligation by a person's home country to take him back should he be deported from the country he visits—is essential in the granting of visa-free status.

Beijing's refusal to give the guarantee will make it difficult for the more than 70 countries that have granted BNO passport holders in the territory such status to consider continuing it after 1997.

Unless China, as Hong Kong's post-1997 sovereign country, agrees to take over the obligation, BNO passport holders will have to apply for travelling visas to visit these countries.

The future visa-free status of the BNO passport has been one of the thorny issues discussed by experts under the Sino-British Joint Liaison Group [JLG].

Britain proposed to China a model visa-free agreement to be applied to the passports more than a year ago.

It is understood that China did not want to take any responsibility for the returnability of the BNO passport holder after 1997 because the matter was arranged between foreign countries and Britain.

Instead, China will concentrate on its "internal affairs", lobbying for visa-free agreements for the Special Administrative Region [SAR] passport holders.

Yesterday the Chinese Vice-Premier Qian Qichen told the leader of the pro-China Progressive Alliance, Ambrose Lau, the designs for the SAR passport had been completed and China would begin "as soon as possible" to make visa-free arrangements for SAR passport holders with other countries.

Informal talks are taking place at the moment between Chinese JLG officials and the Hong Kong government's Immigration Department.

It is believed that the Director of Immigration, Laurence Leung, held discussions on the issue with officials of Beijing's Public Security Bureau during last month's JLG session in Beijing.

The agreements with other countries on visa-free entry for BNO passport holders, like all other international treaties that apply to Hong Kong now by virtue of its

colonial link with Britain, will not apply after the 1997 handover unless China approves.

This is despite the fact that the BNO passport will continue to be used as a travel document as long as it remains valid.

A BNO passport expires 10 years after issue.

Hong Kong government officials said they remained "optimistic" about BNO passport holders' future visa-free status.

"We are still in the process of discussing it with China to see what needs to be done on this matter," a government official said.

Hong Kong government officials have argued that it was essential to keep the visa-free status for BNO passports.

They said it would normally take three to five years for a new passport to establish its reputation before other countries were ready to offer visa-free entry.

The director of the Hong Kong and Macao Affairs Office, Lu Ping, said this week that China regarded BNO passport holders as Chinese nationals, not British nationals as "Britain claims".

Only Chinese nationals among Hong Kong's permanent residents would be entitled to SAR passports, Lu said.

Editorial on Passport Issue

HK2810054694 Hong Kong EASTERN EXPRESS in English 28 Oct 94 p 15

[Editorial: "BNO Passport Must Be Protected"]

[FBIS Transcribed Text] The future status of the British National (Overseas) (BNO) passport, which enables its holder to travel to more than 70 countries without needing a visa, looks gloomy as Beijing is determined to go ahead separately with seeking the same visa-free status for the Special Administrative Region (SAR) passport.

This intention was confirmed to Ambrose Lau, the chairman of the Hong Kong Progressive Alliance, by the Chinese Vice-Premier Qian Qichen yesterday. It would have dashed the hopes of the British authorities of a joint approach with Beijing to lobby for post-1997 visa-free travel for both BNO and SAR passport holders. Its consequences will be serious indeed.

China's rejection of the call by Britain for a joint lobbying effort is of no surprise to anyone. It is simply another reflection of the nationalistic egocentricity of a regime whose pride has been hurt by Chris Patten, the neo-colonial buccaneer.

This state of mind was shown when Guo Fengmin, the outgoing Chinese chief negotiator of the Joint Liaison Group, said earlier this week the adaptation of Hong

Kong's laws after 1997 was a matter of Chinese sovereignty and should not bother Britain. The future of the BNO passport may become another victim, like the transition of laws, in the climate of non-co-operation between Beijing and London over Hong Kong.

Hong Kong will cease to be a British dependent territory on July 1, 1997. The BNO, being a cynical and bizarre product designed by Britain to prevent its 3.5 million British colonial subjects in Hong Kong from flooding into Britain after 1997, only states that the holder, in the case of deportation, has the right to be returned to Hong Kong, which will then be a Chinese territory.

That guarantee is diplomatically meaningless as Britain cannot pledge for the SAR government or China unless China comes out now and declares its willingness to accept any deportees. Without China's commitment, it may render invalid all the visa-free arrangements applied to the BNO, whether they are the extension of formal agreements between any countries with Britain, or informal ad hoc agreements.

It is yet another example of China's stubborn arrogance, failing to see this reality. Beijing may choose to be spiteful with Britain and frustrate the Hong Kong government on every issue handed out by the latter for discussion and cooperation. In the case of the BNO passport, Beijing may be satisfied that by rejecting Britain's proposal it will cripple its credibility and make it a travelling document much less attractive to Hong Kong people. This assumption is fine from the perspective of nationalism. The real challenge is for China to offer a better alternative to Hong Kong people.

Is the SAR passport going to be that better alternative? Chinese officials are under the impression that it will be. Qian told his Hong Kong guests that the Chinese government will soon begin to lobby all the countries which have visa-free arrangements with Hong Kong now. As Chinese Foreign Minister, he is confident that it can be done soon after July 1, 1997.

The visa-free arrangement granted to a passport is a preferential status. It shows the trust in and the respect for that passport by the host country, which is generally satisfied that the holder is unlikely to be an illegal immigrant. That confidence is built up over years, not overnight.

The same criteria will apply to the SAR passport holders. Although most of them are virtually the same people who hold the BNO, they will be living under a different roof. Whether the fact that SAR passport holders are Chinese citizens will make it more inconvenient for them to travel, will depend on how internationally respected China is going to be.

If it is a nation notorious for the mass export of illegal immigrants as it perhaps still is now—given the spectacular scenes of Fujianese boat people in San Francisco or

under the Statue of Liberty—the SAR passport, as a Chinese document, will inevitably suffer.

In any case, the travelling convenience of the BNO passport may soon become a thing of the past. Without a guarantee of responsibility, it will give Britain an excuse to do nothing to lobby unilaterally for the continuous visa-free status of the BNO.

It must be remembered, nevertheless, that the purpose of issuing this odd document is to safeguard the freedom of movement for people whom Britain once ruled and no longer wants. The British government will be made a laughing stock if the passport it issues to Hong Kong people is no more usable than that of countries like Haiti and Cuba.

As for China's efforts to lobby foreign governments for the SAR passport, we wish Mr Qian and his colleagues at Chinese embassies overseas a smooth and easy time.

Trapped Passengers Riot at Border

HK3010073094 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 30 Oct 94 p 3

[By Billy Wong Wai-Yuk]

[FBIS Transcribed Text] A riot broke out at the border on Friday night when Hong Kong-bound travellers became trapped between gates at the crossing after Shenzhen customs officials closed the checkpoint five minutes earlier than scheduled. Over 200 passengers on the delayed last train from Guangzhou to Shenzhen spent the night caught between the two gates on the Shenzhen side of the crossing at Lowu. Officials refused to re-open the checkpoint, which closes at 11 pm until its regular opening time of 7 am.

The train had been due to arrive at the border at 10.15 pm but a 35-minute delay left travellers just 10 minutes to pass through the two border gates to Lowu. According to passengers, as people ran through the first gate, Shenzhen customs officers closed the second at 10.55 pm. Rail passenger Cheng Ho-ching said: "Most of us rushed through the first gate, but customs officers closed the second one, even though they saw hundreds of us running towards it." He said a clock just above the gate showed it was 10.55 pm. "We argued with the officers about the time and told them about the delay to the train, but they just ignored us," he said.

Shortly after, a riot broke out with the angry crowd tearing down the gate. Mr Cheng said: "Security guards pushed us back. The disturbance continued for about 20 minutes until we stopped pushing forward, because we saw women and old people were being pushed by the guards in a rough way." Another passenger, Carmen Cheng Kung-wah, said: "We were very unhappy with their attitude. Not one officer came to discuss the matter with us." She added: "The incident also caused our families worry. They had no idea what had happened to us until we returned in the morning." Ms Cheng, a

frequent traveller between Hong Kong, Shenzhen and Guangzhou, said such incidents could happen again as delays were common.

100 Protesters Oppose China-Appointed Committee

HK3110053394 Hong Kong SOUTH CHINA MORNING POST in English 31 Oct 94 p 1

[By Louis Won]

[FBIS Transcribed Text] "Shut up!" is the message that about 100 protesters have sent to the China-appointed Preliminary Working Committee (PWC). Representatives of the Democratic Party and the Joint Association of People's Organisations for Promoting Democracy marched from Victoria Park to the Hong Kong branch of XINHUA (the NEW CHINA NEWS AGENCY) in Happy Valley yesterday, demanding the PWC be dissolved immediately.

The protesters chanted slogans and sang songs, criticising the members of the PWC of "shoe-shining" the Chinese Government and sacrificing Hong Kong people's interests to please Beijing.

Spokesman Chan Hung described the PWC as an "illegal structure" as its establishment was not stipulated in the Basic Law and came about only after Sino-British relations turned sour. He added that since the PWC was established about a year ago, it had been making suggestions which had shocked the local community and had threatened the rule of law in the territory.

Mr Chan said the committee's other suggestions such as demanding that the Hong Kong Government automatically recognises the degrees granted by the some 500 mainland universities also violated the "Hong Kong people ruling Hong Kong" and "high degree of autonomy" principles of the Joint Declaration.

Such suggestions had a negative impact on people's confidence.

Airport Agreement 'Most Likely' To Be Signed

Final Draft Discussed

HK2910060794 Hong Kong SOUTH CHINA MORNING POST in English 29 Oct 94 p 4

[FBIS Transcribed Text] Britain and China are putting the final touches to an agreement on the financial arrangements of the Chek Lap Kok airport plan for a signing ceremony that will most likely be held on Tuesday. It has been learned that the wording of only a few phrases in the brief agreement, to be called an "agreed minute", remains to be sorted out before the formal signing by the heads of the Sino-British Airport Committee, Guo Fengmin and Hugh Davies. Representatives from the two sides, Alan Paul and Chen Zuo'er, are understood to have met yesterday to discuss the final draft.

The Government will guarantee "the provision of adequate funds" for the projects to help allay fears raised by the Chinese side that the size of debts may expand because of such unforeseen factors as interest rate. The total amount of government injection into the two corporations will be \$60.3 billion.

Agreement 'Days Away'

OW3010071394 Beijing XINHUA in English 0658
GMT 30 Oct 94

[FBIS Transcribed Text] Hong Kong, October 30 (XINHUA)—A senior Chinese official here was today quoted as saying that China hopes the agreement on the financing of the new airport in Hong Kong could be signed as early as possible.

Zhang Junsheng, deputy director of the XINHUA NEWS AGENCY Hong Kong branch, made the point Saturday (9/29 October) in response to the question when the financing plan for the Chek Lap Kok airport will be finalized.

Earlier this week, another Chinese official, Guo Fengmin, confirmed that there is now little difference between China and Britain over the new airport issue.

A local English-language newspaper reported last Friday that the agreement on the financial arrangements for the new airport might be signed "only days away".

Zhang Junsheng said Saturday that it is the consistent position of the Chinese side that the agreement on the financial arrangements for the new Hong Kong airport could be signed as early as possible.

However, he added that he had no knowledge of the exact signing date.

He said that as early as in September 1991 the heads of the Chinese Government and the British Government had reached agreement on the airport issue and signed a memorandum of understanding (MOU) over the construction of the new airport in Hong Kong.

If the British side had acted in strict accordance with the MOU, he went on, the deal could have been wrapped up much earlier.

Zhang said that the first financial arrangements put forward by the British side after the signing of the MOU were not in compliance with the related provisions of the MOU.

This led to a new round of discussion, he said, adding that in the course of the discussion the British side tabled a second and third financing plan, neither of which accords with the MOU.

Even with the present fourth plan, the debt level proposed by the British side still exceeds the ceiling set in the mou, said Zhang.

Nevertheless, the Chinese side agreed in principle with the fourth plan since the British side had promised that the future Hong Kong Special Administrative Region government will not be held responsible for this.

The agreement could have been signed two months ago if the British side had not raised extra issues, he said, adding that China had always adhered to the cost-effectiveness principle on the matter for the reason that the construction of the new airport in Hong Kong should not be a heavy burden to the future Hong Kong Government.

Further on Agreement

HK3010073694 Hong Kong SUNDAY HONGKONG STANDARD 30 Oct in English 94 p 1

[FBIS Transcribed Text] There were strong indications yesterday that an agreement on financing for Hong Kong's new airport could be signed as early as tomorrow. Senior Joint Liaison Group (JLG) negotiators, Hugh Davies and Guo Fengmin, are set to seal the deal early this week and some officials predict that it could even be finalised tomorrow, according to government sources. China's chief representative, Mr Guo, sparked hope early last week when he said he hoped an agreement could be reached before he retired early next month.

Governor Chris Patten later said in London that the long-awaited announcement on the construction of Chek Lap Kok would come within the "next few days". The 2 ½ years of wrangling caused by a row over political reform has already resulted in the opening date of the airport being delayed by at least six months.

The Hongkong Standard reported on Friday that JLG negotiators had hammered out the final details during expert talks last week.

Under the landmark deal:—The level of government equity would be \$60.3 billion.—The level of government borrowing for the Provisional Airport Authority and Mass Transit Railway Corporation would be capped at \$23 billion, including interest.

Troops, Foreign Passport Holders After '97 Viewed

HK2810054294 Hong Kong EASTERN EXPRESS in English 28 Oct 94 p 2

[By Shiny Li]

[FBIS Transcribed Text] Troops of the People's Liberation Army [PLA] to be stationed in Hong Kong after 1997 are being taught Cantonese and English.

The Foreign Minister, Qian Qichen, told the pro-China Hong Kong Progressive Alliance's delegation in Beijing yesterday that the PLA soldiers would be trained to speak fluent Cantonese and English so they would "be accepted more easily" by Hong Kong people.

The alliance chairman, Ambrose Lau, said: "The troops to be stationed in Hong Kong after the changeover will be taught more about the Basic Law and the concept of 'one-country, two-systems'."

Qian was quoted as saying the soldiers would be taught to "behave in line with Hong Kong laws".

Qian said local political groups should "love the country and love Hong Kong" and contribute to society.

Meanwhile, a senior Chinese official in charge of Hong Kong affairs, Lu Ping, told a delegation from the Po Leung Kuk yesterday that ethnic Chinese who held foreign passports and who had the right of abode in Hong Kong would not be regarded as foreign nationals and their foreign passports would be considered mere "travel documents".

The delegation chairman, John Wong, said Lu told them at a meeting in Beijing earlier this week that a person who had lived in Hong Kong for more than seven years or who was born in Hong Kong, but held a foreign passport, would automatically have the right of abode in Hong Kong after 1997.

Foreign passports held by Hong Kong's ethnic Chinese people would not entitle them to extra-territorial immunity in Hong Kong.

Wong was told Indians born in Hong Kong or who had stayed here more than seven years had been informed they could apply for naturalisation as Chinese nationals.

Lu was said to have stated that Britain must discuss the old-age pension scheme with China before it could go ahead. China was not opposed to a retirement scheme, but it should be a proper retirement scheme and not a welfare plan.

Lu said China had not been consulted about the scheme and urged Hong Kong officials to discuss it through the Joint Liaison Group.

Jardines Gets Contract To Build New Naval Base

HK3010072594 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 30 Oct 94 pp 1, 2

[By Danny Gittings]

[FBIS Transcribed Text] Jardines has won a \$790 million contract to help build China's new naval base on Stonecutters Island—a move bound to infuriate Beijing. China, traditionally hostile towards Jardines, has not been consulted about the award and there are already fears this may trigger a new Sino-British row as the two sides struggle to finalise an airport funding accord.

The contract was won by Gammon Construction, which is jointly owned by Jardine Pacific and Trafalgar House. It was signed last Thursday but has yet to be officially announced after being secretly decided by the Government's Central Tendering Board 10 days ago. The Hong Kong Government pledged to build the base for the

People's Liberation Army navy as part of the recent Defence Lands Agreement in the Joint Liaison Group.

A Finance Branch spokesman said the Government saw no reason to discuss the award of the contract with Beijing. "The Chinese side has not been consulted. Our obligation under the Defence Lands Agreement is to construct a naval base. The award of this tender is made entirely in accordance with normal Hong Kong Government procedures, and the Chinese side is well aware of these procedures," he said. The spokesman said Gammon submitted the lowest of seven bids received from the companies it pre-qualified to tender for the contract, but refused to name the others. Gammon declined to comment.

Secretary for Works, James Blake, stressed there was nothing special about the way the contract was decided. There was no reason, he said, why its awarding to a Jardines-owned company should cause any friction with Beijing. "There's certainly no political aspect to this," he said. "There's no connection whatsoever with the way Container Terminal No. 9 (CT9) was handled."

China has vociferously objected to the granting by private treaty of the rights to operate CT9, and especially the allocation of two of its berths to a Jardine-led consortium. Beijing-controlled mouthpieces have alleged this was an "under-the-table" deal in return for Jardines support of Governor Chris Patten's political reforms, and accused the British hong [as published] of having had "no confidence and refused to take any commitment over the future of Hong Kong".

Some mainland officials have privately suggested Jardines should also be barred from airport and other transition-related contracts. But Mr Blake said he did not see Gammon as part of Jardines, despite its ownership. "This is a Hong Kong company, fully committed to Hong Kong, which has tendered and undertaken a lot of projects of a very high quality in the past and will no doubt do so in the future," he said. Mr Blake said Gammon was categorised as a local company by the Government and eligible to bid for all five categories of their works contracts, including the remainder of the work on the Stonecutters base.

The \$790 million contract covers excavation, formation of the 12-hectare site, the building of a sea wall, breakwaters, and an approach channel. This work begins on Wednesday and is scheduled to be completed in April 1997. Mr Blake said contracts for the remainder of the \$1.8 billion base, including the building of its on-shore facilities, were not so urgent and would be tendered later.

The base is the main part of a \$4 billion package of military facilities for the post-1997 garrison. Its naval basin, measuring 400 metres by 400 metres, replaces the much smaller Tamar basin, which is being filled in as part of the Central and Wan Chai reclamation. The exact size was a major sticking point during the final stages of the marathon defence lands negotiations. But the need

for its construction ultimately helped to accelerate the conclusion of the accord, after Britain warned Beijing that any further delays would mean it was not ready by July 1997. Despite Jardines' problems with Beijing, its associated companies continue to win contracts in China.

Trafalgar House, which is 25 per cent owned by the Jardine group, has won 12 contracts on the mainland over the last six months. Gammon is owned jointly by Trafalgar House and Jardine Pacific.

China To Internationalize Accounting Standards

HK2910073194 Hong Kong EASTERN EXPRESS in English 29-30 Oct 94 p 26

[By Brian Patrick]

[FBIS Transcribed Text] Bank of East Asia director, David Li, said China should not necessarily follow in Hong Kong's footsteps when it comes to internationalising its accounting standards. "Future efforts will be directed at the convergence of standards," he said during the Hong Kong Society of Accountants' annual dinner yesterday. "This may not necessarily mean China following Hong Kong. China already requires would-be accountants to hold university degrees, a standard which Hong Kong is now planning to implement," he said.

Li added that the move towards graduate entry was wise, because students could be taught about China's

accounting system. "Our society does not simply want to be the most important source of information for China, but also about China enhancing Hong Kong's role as a major gateway to China," he said. The three accounting bodies from China, Taiwan and Hong Kong will stage a conference next year, comparing their respective audit practices and examination procedures. "Hong Kong is already well on its way to becoming the Wall Street of China, if not Asia," he said.

But he said that in the past 12 months China had begun to evolve, creating a new financial order that would address the structural deficiencies of its banking and finance system. "We are now seeing China take steps to create an effective legal system, a system that will support the reforms of the last 15 years," Li said. "In effect, these reforms have opened the economy to the disciplines of an increasingly competitive marketplace. As a result, the old state-owned enterprises must compete with private, quasi-private, township and foreign ventures—or die."

He said that in 50 years China's affluence would have established an immense domestic market which could only benefit Hong Kong accountants. "Wealth will create a new nation of investors," he said. "They will increasingly demand more information about the companies and funds in which they are investing, ensuring greater opportunities for accountants," he added.

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